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# NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

## THESIS

**THE RISE AND FALL OF *CHOSEN SOREN*: ITS  
EFFECT ON JAPAN'S RELATIONS ON THE KOREAN  
PENINSULA**

by

Dewayne J. Creamer

December 2003

Thesis Advisor:  
Second Reader:

Edward A. Olsen  
H. Lyman Miller

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**THE RISE AND FALL OF *CHOSEN SOREN*: ITS EFFECT ON JAPAN'S  
RELATIONS ON THE KOREAN PENINSULA**

Dewayne J. Creamer  
Captain, United States Air Force  
B.S., United States Air Force Academy, 1996

Submitted in partial fulfillment of the  
requirements for the degree of

**MASTER OF ARTS IN NATIONAL SECURITY AFFAIRS**

from the

**NAVAL POSTGRADUATE SCHOOL  
December 2003**

Author: Dewayne J. Creamer

Approved by: Edward A. Olsen  
Thesis Advisor

H. Lyman Miller  
Second Reader

James A. Wirtz  
Chairman, Department of National Security Affairs

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## ABSTRACT

The Korean Diaspora in Japan is a legacy of Japan's colonization of Korea in the first half of the 20th century and has always been the largest group of foreign residents in an otherwise ethnically homogenous Japan. A major issue is the role that Koreans in Japan play in supporting North Korea. Although a very small segment of the population, Koreans affiliated with the organization known as *Chosen Soren* have figured prominently in the triangular relationship between Japan, North Korea, and South Korea over the past 50 years.

During the Cold War, *Chosen Soren* activities in support of North Korea severely strained Japan-South Korea relations that were already plagued by lingering animosity from the colonial period. For many years, *Chosen Soren* was the conduit through which Japan and North Korea attempted to expand trade and eventually establish formal diplomatic ties. However, Japan-North Korea relations have deteriorated in the post-Cold War era due to North Korea's growing military threat to Japan, and most recently, North Korea's admission that it had been systematically kidnapping Japanese citizens. Studying the history of *Chosen Soren* will result in a better understanding of the complexities underlying Japan's current foreign policy toward North Korea.



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# **I. INTRODUCTION**

## **A. BACKGROUND**

Many think that Japan is an ethnically homogenous country, and, for the most part, it is. Officially, the Government of Japan in Tokyo does not identify any minority groups among its population of 127 million. Instead, Japanese government statistics classify 1.85 million people as registered foreign residents of Japan.<sup>1</sup> Although most of these people are permanent residents, few will complete Japan's arduous and complicated naturalization process. Thus, American sources such as the U.S. State Department and the CIA World Factbook identify these 1.85 million people, a little less than percent of the population, as an ethnic group within Japan.<sup>2</sup> With an estimated population of 625,000, Koreans are by far the largest number of foreign residents in Japan.<sup>3</sup> At first glance, Japan's Korean "minority" does not seem very significant. Yet, for over half a century, ethnic Koreans in Japan greatly influenced Tokyo's foreign policy toward both of the rival governments on the Korean Peninsula.

Large numbers of Koreans came to Japan when Korea was a Japanese colony from 1910-1945. After its defeat in World War II, Japan was stripped of its colonial possessions. Since many were in Japan against their will, the Japanese and their American conquerors assumed that Koreans would return to their liberated homeland. But over 600,000 Koreans, most of who came to Japan voluntarily, remained in Japan, and they and their descendents comprise the majority of today's Korean community in Japan. The Japanese term for ethnic Koreans living in Japan is *zainichi Kankokujin*.

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<sup>1</sup> Statistics Bureau, Ministry of Public Management, Home Affairs, Posts and Telecommunications, *Japan Statistical Yearbook 2004*, <[www.stat.go.jp/english/data/nenkan/zuhyou/y0214000.xls](http://www.stat.go.jp/english/data/nenkan/zuhyou/y0214000.xls)>, 28 November 2003.

<sup>2</sup> U.S. Dept. of State, Bureau of East Asian and Pacific Affairs, <[www.state.gov/r/pa/ei/bgn/4142.htm](http://www.state.gov/r/pa/ei/bgn/4142.htm)> and CIA World Factbook, <[www.cia.gov/cia/publications/factbook/geos/ja.html#People](http://www.cia.gov/cia/publications/factbook/geos/ja.html#People)>, 28 November 2003.

<sup>3</sup> *Japan Statistical Yearbook 2004*.

*Kankokujin* means “Korean person,” but *zainichi* implies “temporary resident in Japan,” hardly the case for a people that have been living in the country now for three or four generations.<sup>4</sup>

My research focused on the *zainichi* Koreans involved with the organization known as *Chosen Soren* (General Association of Korean Residents in Japan), which is affiliated with the Democratic People’s Republic of Korea (DPRK), or North Korea.<sup>5</sup> *Chosen Soren* was established after World War II as an organization of “overseas citizens of the DPRK” that vowed to stay out of Japanese domestic politics to concentrate its energy on the unification of Korea under then-leader Kim Il Sung. Japan’s alliance with the United States against the DPRK’s alliance with the Soviet Union made *Chosen Soren*’s presence in Japan awkward enough. Complicating the situation was the existence of *Mindan* (The Korean Resident’s Union in Japan), most of whom are citizens of the Republic of Korea (ROK), or South Korea.<sup>6</sup> Although not formal allies, the ROK and Japan are connected strategically by their separate alliances with the United States. Nonetheless, South Korea’s relations with Japan, a “friend,” have been almost as rocky as its relations with its rival to the north. This paper examines *Chosen Soren*’s close association with the DPRK and its effect on Japan’s relations with North and South Korea.

## **B. PURPOSE**

I first approached this topic from a security standpoint. My research initially centered on the question: Are the Japanese government and United States Forces Japan (USFJ) concerned about the threat posed by a group of people, perhaps numbering 100,000, who actively support the DPRK’s belligerent and enigmatic government in Pyongyang?

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<sup>4</sup> Fukuoka Yasunori, “Beyond Assimilation: Diverse Resolutions to Identity Crises Among Younger Generation Koreans in Japan,” <[www.han.org/a/fukuoka96b.html](http://www.han.org/a/fukuoka96b.html)>, 5 December 2002.

<sup>5</sup> *Chosen Soren* is also known by its Korean language name, *Chosun Chongryun*, more commonly referred to in its abbreviated form, *Chongryun*. Japanese language sources refer to the organization as *Chosen Soren* while its members and other Koreans call it *Chongryun*. Since I did not determine a pattern in English language sources I researched and I am writing this paper from the Japanese perspective, I will use the term *Chosen Soren*. However, the reader will notice *Chongryun* used in direct quotations.

<sup>6</sup> *Mindan* is both the Korean and Japanese name for this organization because Koreans and Japanese pronounce the ideographs for this word the same way.

Japan's indigenous "Korean threat" has its roots in the Korean independence movement during the colonial era that had its headquarters in Shanghai, China, and was linked to the Kuomintang government in the Republic of China. Following World War II, Korean involvement in the black market, the 1948 Osaka school riots, and acts of sabotage to protest the Korean War underscored fears that Koreans were a destabilizing element of Japanese society. During the Cold War, *Chosen Soren* was suspected of recruiting and training North Korean agents, spying against South Korea, plotting assassinations, and kidnapping. Since the DPRK emerged as a potential nuclear threat ten years ago, *Chosen Soren's* illegal endeavors have included embezzling money and transferring dual-use technology to North Korea, not to mention the billions of dollars it has legally provided to help Pyongyang develop its nuclear program, create Weapons of Mass Destruction (WMD), and build missiles.<sup>7</sup>

Armed with this knowledge, the reader's next questions are probably: If the activities of *Chosen Soren* have been so well-documented, how has it managed to survive and why has Japan permitted it to operate for nearly half a century?

This thesis attempts answer the aforementioned questions by demonstrating that *Chosen Soren* has had a significant impact on Japan's relations with its Korean neighbors over the past 50 years. During the Cold War, Tokyo's reluctance or inability to crack down on *Chosen Soren* was a frequent source of friction with the ROK government in Seoul. In the current post-Cold War era, Tokyo bemoans *Chosen Soren's* role in financing the North Korean missiles (perhaps nuclear-tipped) that now menace Japan. By studying the history of *Chosen Soren*, the reader will better understand the complexities underlying Japan's foreign policy toward the DPRK.

### **C. ORGANIZATION**

Chapter II: "Development of the Korean Community in Japan," provides the historical background for this survey of *Chosen Soren*. First, it briefly touches on the long running and acrimonious Japan-Korea rivalry, a situation that was only exacerbated

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<sup>7</sup> Nomura Hataru, excerpts from his book *Tokyo Kitachosen Sokin Giwaku*, 17 June 1999, in FBIS, 22 November 2003. I was fortunate enough to come across this excerpt from Nomura's book in FBIS. It provides a concise, yet very detailed history of *Chosen Soren* that parallels what I am trying to do in this thesis.

by Japanese colonial rule over Korea from 1910-1945. Next, it outlines the mass movement of Koreans to Japan and the formation of Japan's Korean minority, one of the most significant developments of the colonial period. Finally, this chapter discusses the division of the Korean community in Japan that reflected the political partition of the Korean homeland.

Chapter III: "*Chosen Soren* in the Cold War," illustrates how *Chosen Soren* figured prominently in the triangular relationship between Japan and the rival governments on the Korean peninsula during the Cold War. *Chosen Soren* activities and Japan's inability or reluctance to control the organization were a serious strain on Japan-ROK relations, already burdened by baggage from the colonial period. Seoul was also irritated by Japan's attempted use of *Chosen Soren* to expand economic ties and improve relations with the DPRK. As the cold War progressed, *Chosen Soren* solidarity began wavering as South Korean successes and North Korea's deficiencies became better known.

Chapter IV: "The Fall of *Chosen Soren*," details *Chosen Soren*'s decline over the past ten years as both Koreans and Japanese have become increasingly disillusioned with the DPRK. Pyongyang's emergence as a nuclear threat and Japan's decade-long recession prompted many to closely scrutinize and eventually restrict *Chosen Soren*'s economic contributions to North Korea. South Korea's emergence as an international economic power and democracy, Pyongyang's frequent provocations, and generational change continued to weaken *Chosen Soren*'s membership base. Finally, the Japanese public's outrage following North Korea's admission that it kidnapped Japanese citizens resulted in swift legal actions that have severely hampered the ability of *Chosen Soren* to effectively function.

Chapter V: "Conclusion," summarizes the findings of this research. First, the conclusion addresses why the organization has existed, against all odds, for such a long period of time. Then, the chapter assesses *Chosen Soren*'s current status. Ultimately, the objective of this thesis is to shed light on the historical issues that factor into Japan's current foreign policy toward the Democratic People's Republic of Korea.



## II. DEVELOPMENT OF THE KOREAN COMMUNITY IN JAPAN

### A. HISTORICAL BACKGROUND

Early Korea-Japan relations are best described as a teacher-student relationship, with Korea representing the teacher. Because it was closer to the “Middle Kingdom,” Korea ranked higher than Japan in China’s hierarchical world system. Before Korea became a unified nation-state, its separate kingdoms received the unadulterated benefits of Chinese civilization directly before imparting it across the sea to Japan. The Korean peninsula was a major bridge across which the more ancient and advanced culture of continental Asia was transmitted to Japan: Buddhism from India (via central Asia and China) and Confucianism, the writing system, the calendar and artistic heritage of China arrived via this route. Indeed, some scholars will argue that, even today, Koreans are obsessed with the fact that Korea was originally Japan’s teacher.<sup>8</sup>

By the third century C.E., Korea had a strong influence over Japan. Japan’s Yayoi peoples built burial mounds that were identical to those found in the Silla Kingdom of Korea. The Three Imperial Regalia, still symbols of imperial authority in modern Japan, also came from Silla.<sup>9</sup>

Perhaps the most prominent feature of Korea’s early sophistication was its close copy of China’s unified kingdom and structured civil society based on Confucianism. Japan’s early history resembles that of Korea. Both nations shared the same cultural roots, but the Japanese eventually developed strikingly different social and political structures. Japan’s island-based separation from the mainland allowed the Japanese to alter and shape cultural imports with distinctive Japanese characteristics.<sup>10</sup>

Korea’s role as a victim began when Japanese pirates began raiding the coast in the thirteenth century and peaked with Hideyoshi Toyotomi’s invasions in 1592 and 1597. The evidence of Hideyoshi’s brutality is still on display today in Kyoto, Japan at

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<sup>8</sup> Paul Huen Chan, “From Colony to Neighbor: Relations Between Japan and South Korea, 1945-1985,” Ph.D. dissertation., Johns Hopkins University, 1988, pp. 40-41.

<sup>9</sup> John K. Fairbank, Edwin O. Reischauer, and Albert M. Craig, *East Asia: Transition and Transformation*, Boston: Houghton Mifflin, 1989, pp. 329-330.

<sup>10</sup> *Ibid.*, p. 324.

the *mimizuka* (ear mound), where the ears and noses of tens of thousands of Koreans slain by Hideyoshi's forces are buried.<sup>11</sup> The Japanese incursions devastated Korea. Cultural treasures and monuments were destroyed, agriculture declined, and Korea's ruling Yi dynasty was weakened to such a degree that it never fully recovered.<sup>12</sup>

By the middle of the 19th century, it was clear that more powerful and technologically advanced Europeans were intent on dominating Asia. The stability and structure of Confucian civilization, which facilitated the great achievements of ancient China, became its Achilles heel. Neither the Ming dynasty in China nor the Yi dynasty in Korea were able to adapt to the changing conditions. As a result, China would suffer the great humiliation of being dominated and divided into zones of influence by European powers.

Japan soon realized that Korea faced a fate similar to that of China. German General Klemens Wilhelm Meckel, who was very influential in developing the Imperial Japanese Army, commented that Korea's geopolitical position was a "dagger pointed at the heart of Japan."<sup>13</sup> Indeed, the Mongols used Korea as a staging area in two unsuccessful attacks on Japan in the late 13th century. Control of Korea was seen as essential to Japan's security.

Fortunately for Japan, it was as successful in adapting to the ways of the European imperialists in the late 19th century as the Koreans were centuries earlier in copying Confucian China. After the United States forced Japan to open its economy to U.S. trade in 1853, the Japanese proved to be quick studies by using "coercive diplomacy" to secure economic concessions from Korea in 1876. Japanese encroachment into China's traditional sphere of influence eventually led to the Sino-Japanese War in 1894-1895. Japan's victory removed the Chinese from Korea, but Russia soon entered the equation. After several more years of wrestling for control of "the dagger," Japan and Russia fought a war to settle the question of suzerainty over the peninsula once and for

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<sup>11</sup> Michael H. Armacost and Kenneth B. Pyle, *Japan and the Unification of Korea: Challenges for U.S. Policy Coordination*, NBR Analysis, Vol. 10. No. 1, (March 1999), pp. 9-10.

<sup>12</sup> Fairbank, Reischauer, and Craig, *East Asia: Transition and Transformation*, p. 316.

<sup>13</sup> Meirion and Susie Harries, *Soldiers of the Sun: The Rise and Fall of the Imperial Japanese Army* (New York: Random House, 1992), p. 53.

all. After its unexpected victory in the Russo-Japanese War, Japan made Korea a protectorate in 1905 and formally annexed it in 1910.

## **B. THE COLONIAL PERIOD, 1910-1945**

The emotional and psychological hangover of the colonial period still adversely affects Japan-Korean relations today, as lingering feelings of resentment reside on both sides of the sea separating the two nations.<sup>14</sup> These feelings are shared by Koreans in both South and North Korea. Koreans synthesized a modern national identity based on anti-Japanese feelings, while the Japanese developed ambivalent, but culturally and even racially superior, attitudes toward their former colonial subjects.<sup>15</sup>

Koreans view Japan's colonization of Korea as an immoral "cultural" aggression.<sup>16</sup> Colonial regulations designed to fully assimilate second-class Korean citizens into the Japanese Empire forced Koreans to adopt Japanese names, speak Japanese, and worship at Shinto shrines.<sup>17</sup> Japanese attempts to eliminate exceptions to the homogeneity of the nation were best exemplified by eliminating all forms of ethnic identification, including names. On February 11, 1940, the 2600th anniversary of the legendary founding of the Japanese imperial line, a program was implemented to impose Japanese names on all Koreans. Nearly 76 percent of the population adopted Japanese names by mid-1940, but the process was halted when members of the former Korean royal family, which had been co-opted into the Japanese peerage, persuaded the Japanese court to allow them to retain their Yi (Lee) surname.<sup>18</sup>

Koreans remember Japanese rule as ruthless and exploitative.<sup>19</sup> In addition to using Korea as a buffer against foreign encroachment, Japan diverted Korean natural resources, rice crops, and most importantly, Korean people, to power its war machine.

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<sup>14</sup> Even this is a source of contention between Japan and Korea. Korea recognizes the body of water separating it from Japan as the East Sea (*Dong Hae*). In future references to this body of water, I will follow the international practice—at least for now—of calling it the Sea of Japan (*Nihon Kai*).

<sup>15</sup>Victor Cha, *Alignment Despite Antagonism: The United States-Korea-Japan Security Triangle*, (Stanford: Stanford University Press, 1999), p. 10.

<sup>16</sup> Paul Huen Chan, p. 59.

<sup>17</sup> Armacost and Pyle, p. 13.

<sup>18</sup> George Hicks, *Japan's Hidden Apartheid: The Korean Minority and the Japanese*, (Brookfield: Ashgate Publishing Company, 1997), p. 17.

<sup>19</sup> Paul Huen Chan, p. 54.

Cheap—or in some cases, free— Korean labor played a large role in Japan’s pre-war military and industrial buildup. At the end of the war, over 2.3 million Koreans—roughly 10 percent of Korea’s population—were living in Japan.<sup>20</sup> It is estimated that over 200,000 Korean women were forced to work as prostitutes for Japanese soldiers, and 22,000 out of a total of 240,000 Korean men died as conscripts in the Imperial Japanese Army.<sup>21</sup>

The colonial experience also resulted in a negative Japanese view of Koreans. First, there was Japanese racial chauvinism or pride. Japan was proud of the fact that it had adapted to Western standards and become an empire builder itself. Consequently, the Japanese looked down upon other Asians who were not advanced enough to save themselves like the Japanese had. The Hermit Kingdom of Chosen was a perfect example of this. In contrast to Korean bitterness at being colonized and exploited, the prevailing Japanese view is that Japan contributed to Korean modernization.<sup>22</sup>

Secondly, the immigrants who came to Japan from Korea did not exactly make a good impression on the haughty Japanese either. Poor economic conditions in Korea, exacerbated by Japanese intervention, led to significant immigration into Japan through World War II. Koreans who came to Japan were mostly poor, uneducated farmers or unskilled laborers from less industrialized areas in southern Korea. As a result, the Korean population in Japan was characterized by illiteracy, poverty, and a high crime rate.<sup>23</sup> To the Japanese, Koreans who came to Japan exemplified the backwardness of the country. Feelings of enmity on both sides would poison Korean-Japanese relations after World War II.

### **1. Early Immigration**

The Japanese incorporation of Korea in 1905 was one of the first fateful steps that led to the death and destruction of World War II. Japan colonized Korea partly out of

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<sup>20</sup> “The People’s Korea” <[http://www.korea-np.co.jp/pk/003rd\\_issue/chongryun/PartII0102.htm](http://www.korea-np.co.jp/pk/003rd_issue/chongryun/PartII0102.htm)>, 29 November 2002.

<sup>21</sup> David Suzuki and Keibo Oiwa, “The Korean Mirror” in *The Japan We Never Knew: A Journal of Discovery*, (Toronto: Stoddart Publishing Co. Limited, 1996), p. 167.

<sup>22</sup> Paul Huen Chan, p. 54.

<sup>23</sup> Alice K. Lee, “Koreans in Japan: Their Influence on Korean-Japanese Relations,” Master’s Thesis, Naval Postgraduate School, 1979, p. 11.

fear that it would become dominated by a country hostile to Japan and also because Japan needed to expand its markets for its burgeoning economy. The changes introduced by Japan were intended to modernize Korea, but social effects were destabilizing and, in some cases, disastrous.

Poor economic conditions in Korea, partially caused by Japanese intervention, led to the dramatic growth in the numbers of Koreans in Japan in the first two decades of the 20th century. In 1885, records show that there was one Korean living in Japan.<sup>24</sup> On the eve of the absorption of Korea in 1909, only 790 Koreans lived in Japan, but by 1918, the Korean population in Japan had grown to 22,262.<sup>25</sup>

Before the annexation, all land in Korea belonged to the sovereign, but farmers were given cultivation rights if they paid taxes. From 1910-1918, the Japanese attempted to modernize and commercialize Korea's economy by carrying out an extensive land survey to clarify property ownership and consolidate large land holdings. Many illiterate farmers lost title to their land by failing to register properly. The *yangban* (local gentry) also took advantage of the situation, sometimes claiming public lands and even private lands. The increased use of money and a new tax structure also cast many farmers into debt.<sup>26</sup>

The population of Korea increased by 30 percent between 1915 and 1930, but jobs were not created to keep up with population growth. The increased population and development of a large landless class imposed great hardships on Koreans. A 1925 Japanese report listed bad economic conditions in Korea due to poor weather and poor crops, hope for higher pay in Japan, and encouragement from countrymen returning from Japan as the primary reasons causing immigration.<sup>27</sup> The majority of Koreans who went to Japan had been tenant farmers or unskilled laborers from Pusan or other areas in southern Korea.<sup>28</sup>

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<sup>24</sup> "The People's Korea" website, 29 November 2002.

<sup>25</sup> Chin Hee-gwan, "Divided by Fate: The Integration of Overseas Koreans in Japan," *East Asian Review*, Vol. 13, No. 2, (Summer 2001), p. 59.

<sup>26</sup> Richard H. Mitchell, *The Korean Minority in Japan*, (Berkeley: University of California Press, 1967), p. 28.

<sup>27</sup> Ibid.

<sup>28</sup> Alice K. Lee, p. 11.

## 2. Between the Great Wars, 1918-1931

Koreans who came to Japan lived in squalid ghettos and worked in dirty, dangerous, difficult (*kitanai*, *kiken*, *kitsui* or “3k” in Japanese) jobs and factories, doing things most Japanese would never consider. Most Koreans intended to stay only long enough to make some money before returning home. The condition of Koreans in Japan before World War II foreshadowed their plight later as they often lived in segregated ghettos and were under strict government control due to constant Japanese fear of their involvement in independence and labor movements.<sup>29</sup> As laborers alienated from mainstream Japanese society, many Koreans were attracted to leftist ideologies.<sup>30</sup>

Due to its lowly and weak position in Japanese society, the Korean population experienced much hardship and discrimination, sometimes taken to despicable extremes. After the Kanto Earthquake devastated Tokyo on September 1, 1923, Japanese citizens added to the tragedy by slaughtering 6000 Koreans after rumors spread that Koreans were poisoning the water.<sup>31</sup>

The Japanese economy rapidly expanded during World War I and eagerly absorbed cheap Korean labor. Korean immigrants rose from 3,630 in 1914 to 419,000 in 1930.<sup>32</sup> But the economy was depressed after 1920, through the Stock Market Crash of 1929 and up until the Manchurian incident in 1931. Even in these depressed conditions, Korean labor kept pouring into Japan.

The influx of Korean labor did not create Japan’s labor problem; it only aggravated it. Korean students, Korean laborers, and nationalists eventually became drawn to radical left-wing politics. Through the 1920s and 1930s, the Japanese government experienced a hysterical red scare, which led to the promulgation of the Peace Preservation Law in May 1925. Massive national roundups on March 15, 1928 and April 16, 1929 led to the arrests of 2500 people. These campaigns essentially forced the Japanese Communist Party (founded in 1922) underground. As a result of the

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<sup>29</sup> Hirayuko Yukiko, “Ethnic Issues in Japan,” p. 11. Paper prepared for the conference “Ideas for the 21st Century” held in Washington, D.C., in November 1991, p. 11, <<http://home.hiroshima-u.ac.jp/hirayuki/ethnic.html>>, 29 November 2002.

<sup>30</sup> Paul Huen Chan, pp. 373-374.

<sup>31</sup> “The People’s Korea” website, 29 November 2002.

<sup>32</sup> Mitchell, p. 41.

crackdown, the Japanese and Korean communist parties agreed to join forces. As communists and Korean nationalists both felt strongly about opposing imperialism and abandoning Japan's overseas colonies, they made logical political allies.<sup>33</sup>

In September 1931, the Japanese military staged a bombing of the South Manchurian Railway near Mukden, giving Japan a pretext to expand its empire to southern Manchuria. After "the Manchurian Incident," Korean nationalists renewed their efforts to rebel, primarily by assassinating high Japanese officials. A Korean laborer named Yi Pong Chang (Asayama Shoichi in Japanese) attempted to assassinate the Emperor on January 9, 1932, an event known as the Sakuradamon Incident, after the place it occurred. The backlash against Korean leftists was particularly ferocious, especially since the Korean communists were very active in the period. In 1933, 1820 Koreans were arrested for violations of the Peace Preservation Law, a thousand more than were arrested in any other year through the end of the Second World War.<sup>34</sup>

Those who came to Japan in the 1920s were mostly unmarried men who planned to stay long enough to make money and return home. After 1931, Japanese industry began to recover and Koreans found greater economic opportunities. The Japanese government encouraged married couples to emigrate to stabilize the Korean minority. In 1925, Korean males outnumbered females seven to one, but by 1939, that ratio had been reduced to one and a half to one and 88 percent of Koreans were living in family units. After 1939, these trends toward permanence in housing and jobs declined with the influx of labor brought in to power the Japanese war machine.<sup>35</sup>

Just before the Manchurian Incident, there were 3 million Japanese unemployed. The Manchurian Incident and resulting military operations in China stimulated the Japanese economy. From 1933 to 1936 the yearly increase in the demand for labor was double the number of new workers available.<sup>36</sup>

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<sup>33</sup> Mitchell, p. 60.

<sup>34</sup> Ibid., pp. 67-68.

<sup>35</sup> Ibid., p. 76.

<sup>36</sup> Ibid., p. 77.

### **3. Japan at War, 1931-1945**

The Korean population in Japan increased sharply as a result of the war. When Japan invaded Manchuria in 1931, there were 312,212 Koreans in Japan. An estimated 70,000-80,000 Koreans were forcibly brought to Japan every year from 1932 to 1937 as the China conflict escalated. By the time the United States entered the war in 1941, the population of Koreans in Japan jumped to 1,469,320, topping out at 2,365,263 people at the time of Japan's surrender.<sup>37</sup>

The Labor Mobilization Law was promulgated in August 1939. Ironically, the Japanese mainland had difficulty filling its labor quotas due to competition with the governor-general of Korea, who diverted a fair share of southern Korea's surplus labor up to industrial northern Korea.<sup>38</sup> Koreans performed manual, backbreaking labor under the most brutal and austere conditions. A prominent historian of Japan revealed his shock and horror when he first learned of Korean labor gangs: "Beneath the key installations that have sustained Japan's post-war development—its mines, coal fields, dams, harbors and airports—are buried the corpses of countless Koreans, all unknown!"<sup>39</sup> According to North Korean figures, which are dubious at best, one million Koreans were conscripted to construct military bases and work in collieries during the war, and 60,000 Koreans died in collieries from 1940-1945.<sup>40</sup>

However, Mitchell argues that Korean labor was overworked to the same degree as their Japanese counterparts during the war. The Japanese were also conscripted, so the term "slave labor" is not accurate in this case. He cites the frequent labor arbitration and the fact that many did return to Korea upon completion of their contracts to support his position. Until bombing of Japanese cities became commonplace, many Koreans were willing to come to Japan voluntarily in search of higher salaries and better opportunities.<sup>41</sup>

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<sup>37</sup> "The People's Korea" website, 29 November 2002.

<sup>38</sup> Mitchell, p. 79.

<sup>39</sup> Hicks, p. 39.

<sup>40</sup> "The People's Korea" website, 29 November 2002.

<sup>41</sup> Mitchell, pp. 85-86.



Like the tragedy after the Kanto Earthquake, the Japanese masses found the Korean population an easy scapegoat upon which to take out their frustrations as their cities were bombed into oblivion. A substantial number of Koreans were among the victims of the Hiroshima and Nagasaki atomic bombings as well.<sup>42</sup>

### **C. KOREANS IN JAPAN DURING THE AMERICAN OCCUPATION**

During U.S. occupation of postwar Japan, a distinct pattern of treatment of Koreans was established. The first great disadvantage that Koreans experienced was that the United States did not know what to do with them. American planners thought Koreans would return to their liberated homeland. All but 600,000 did, but this was still a substantial number, especially since they were concentrated in urban-industrial areas, or the bombed-out remains of them.

Next, the old prejudices against Koreans returned. Bitter Japanese blamed Koreans for losing the war and were angered by celebrating Koreans who rejoiced in their independence. Competition for resources during this period was fierce. Koreans, already on the margins of society, were completely shut out of it. The tight-knit Korean communities survived by dealing on the black market.

As the Pacific War quickly transformed into the Cold War, the original intent of the occupation, punishing and restructuring Japan, soon shifted into transforming Japan into a “bulwark against communism.” U.S. occupation forces ruled through Japanese bureaucrats and left domestic policy that did not affect security and stability to the Japanese. Thus, *de facto* and *de jure* discrimination against Koreans continued.

#### **1. The Unforeseen Problem**

The office of the Supreme Commander for Allied Powers (SCAP), despite its name, was a U.S. organization led by General Douglas MacArthur that oversaw the occupation of defeated Japan. The United States was aware of the Korean minority issue in Japan, but no one had devised a plan to deal with Koreans in Japan, thinking that Koreans would solve the problem themselves by simply returning to Korea. Indeed, from the day Japan announced its surrender on August 15, 1945, to November 30, 1945, 800,000 of the nearly 2.4 million Koreans in Japan returned home. But American

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<sup>42</sup> Mitchell, p. 109.

military authorities feared the spread of disease and the Japanese black market would occur if it continued to allow the unregulated movement of Koreans across the Tsushima Straits. On November 1, 1945, a SCAP directive limiting individuals to 1000 yen and 250 pounds of property when leaving Japan stemmed the flow of Korean repatriates.<sup>43</sup> Still, an additional 590,000 people returned to Korea under SCAP guidelines through August 1947.<sup>44</sup>

Eventually, over 600,000 Koreans elected to remain in Japan after World War II. Koreans who remained in Japan did not return to their homeland for a variety of reasons, most due to their loss of economic base in Korea and the post-war turmoil and chaos in the region, including the environment that led to the partitioning of the peninsula.<sup>45</sup> After the war, Korea was in a state of economic collapse, and the south, from where most of the Koreans in Japan had come, was ravaged by floods and epidemics. Some heard that Koreans who remained at home resented those who were returning. Interestingly, two-thirds of those who remained in Japan after the war had immigrated to Japan before 1930 and settled there permanently.<sup>46</sup> Other Koreans returned to Japan after being confronted with the realities of a Korean economy and infrastructure that had been wracked by 35 years of Japanese exploitation. Since the United States was trying to establish a democratic government in Korea, SCAP prohibited Koreans who had joined the Japanese Communist Party from leaving Japan. Ironically, many of these people were not communists, but had used the organization to aid their fight against the Japanese right-wing imperialists in order to gain Korean independence.<sup>47</sup>

## **2. Legal Status**

Thus, the Korean minority problem created by the Japanese empire continued to be troublesome after the war. Korean-Japanese relations, bad from the beginning, grew worse after the war, as Koreans wished to be treated as liberated people, freed from the

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<sup>43</sup> Chin Hee-gwan, p. 59.

<sup>44</sup> Mitchell, p. 103.

<sup>45</sup> Fukuoka Yasunori and Tsujiyama Yukiko, "*Mintohren: Young Koreans Against Ethnic Discrimination in Japan*," <[www.han.org/a/fukuoka92.html](http://www.han.org/a/fukuoka92.html)>, 5 December 2002.

<sup>46</sup> Mitchell, pp. 103-104.

<sup>47</sup> Chin Hee-gwan, p. 60.

Japanese imperialists, instead of as the second-class citizens that the Japanese continued to label them. Initially, American occupation leaders and the Japanese government agreed that Koreans who had not been repatriated would be under Japanese jurisdiction until a peace treaty could decide their status. Koreans resented this and demanded reparations for their treatment during the war.

Since the United States was more concerned with stability than civil rights, solving the Korean minority question was at the bottom of its priority list, if it was even considered at all. Aware that many Korean movements during the colonial era were disruptive independence agitators with communist ties, SCAP regarded Koreans in Japan as potentially subversive and as obstacles to its reform program. Consequently, SCAP's view on the Korean minority was similar to that of the imperial Japanese government.<sup>48</sup>

The vexing issue of the legal status of Koreans remained unsolved for quite some time. SCAP decreed on November 20, 1946, that Koreans who were not repatriated would fall under the jurisdiction of the Japanese and would be treated as Japanese.<sup>49</sup> The ambivalent U.S. position on Koreans regarded them as "liberated" nationals in situations where military security was not involved and "enemy" nationals if the case was a security issue, as directed by the Joint Chiefs of Staff to General MacArthur.<sup>50</sup>

After the initial shock of defeat wore off and after ascertaining that SCAP had no definitive policy on Koreans, the Japanese government began bitterly attacking Koreans, accusing them of creating the black market, increasing the crime rate, carrying disease, not paying taxes, and other societal offenses. In November 1946, in Tokyo's Ueno district, police placed anti-Korean posters on walls warning people of robbers by using a Korean emblem.<sup>51</sup>

SCAP itself contributed to the hysteria by expressing fear of illegal Korean immigrants spreading cholera and by not censoring the Japanese media's anti-Korean attacks. Concerned about illegal immigration of Koreans and the black market, American

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<sup>48</sup> Mitchell, p. 101.

<sup>49</sup> Ibid., pp. 107-108.

<sup>50</sup> Sonia Ryang, *North Koreans in Japan: Language, Ideology, and Identity*, (Boulder: Westview Press, 1997), p. 81.

<sup>51</sup> Mitchell, p. 109.

authorities prompted the Japanese to enact an alien registration order on May 2, 1947. Initial Korean protests and resistance were soon muted and in the end many complied.<sup>52</sup>

On September 8, 1951, Japan and 48 countries signed the San Francisco Peace Treaty, officially ending the occupation. The treaty, which was to go into effect on April 28, 1952, stripped Koreans in Japan of their nationality and placed them in legal limbo, noting, “until their status was decided legally they could remain residents in Japan without having obtained resident qualification.”<sup>53</sup> With SCAP's encouragement, Japan and the Republic of Korea began negotiations on the status of Koreans in Japan in October 1951, but two years later, negotiators were still deadlocked and talks were suspended.<sup>54</sup> The issue was not legally decided until the Republic of Korea-Japan Normalization Treaty of 1965 granted “permanent resident” status to Koreans who had resided in Japan before the end of the war. This status was not extended to the children of these Koreans, however, leaving the situation for later generations to resolve.<sup>55</sup>

#### **D. THE DIVISION OF THE KOREAN COMMUNITY**

On October 15, 1945, Koreans in Japan created *Chosoren* (League of Koreans Residing in Japan), a single non-political organization to coordinate interests of the Korean community during the transitional phase of political uncertainty and economic devastation.<sup>56</sup> *Chosoren* dealt chiefly with repatriation and economic aid for needy Koreans and basically served as a quasi-governmental organization in its dealings with the Japanese. In effect, *Chosoren* took over the duties of the governor-general of Korea, with regard to handling disputes between Japanese and Koreans; administering justice to Korean criminals; distributing relief supplies obtained from the Welfare Ministry; and extracting separation bonuses and back pay from companies that had employed Korean laborers.

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<sup>52</sup> Mitchell, pp. 110-113.

<sup>53</sup> Fukuoka and Tsujiyama, “*Mintohren*.”

<sup>54</sup> Mitchell, p. 119.

<sup>55</sup> Fukuoka and Tsujiyama, “*Mintohren*.”

<sup>56</sup> *Chosoren* is the Japanese language abbreviation for the organization. As mentioned in the introduction, its full name in Korean is *Chosun Chongryun*, which is often abbreviated as *Chongryun*.

In the chaos immediately following the war, the Japanese government was hesitant to act and the occupation forces had yet begun to govern. *Chosoren* stepped into this situation to control the repatriation program by gaining control of ships and scheduling trains to bring Koreans to embarkation points. Even after SCAP took control of the process in November 1945, *Chosoren* was allowed to select the people to fill daily quotas for repatriation, which gave *Chosoren* great strength. SCAP did not outlaw this practice until May 1946.<sup>57</sup>

*Chosoren* carried out an extensive welfare program using supplies received from the Welfare Ministry. *Chosoren* also financed its operations by keeping the bank and postal savings books of repatriates and by negotiating directly with the Ministry of Finance, securing over 100 million yen during the first four months of 1946.<sup>58</sup> As Japanese enjoyed preference in employment, *Chosoren* and many Koreans participated in black-market trading and illegal distilling. This did not sit well with occupation authorities against the backdrop of the emerging Cold War, the division of Korea, and rebuilding Japan as Asia's "bulwark against communism."<sup>59</sup>

Even before the end of 1945, factional fissures in the Korean community began to develop as the *Chosoren* became politicized. Those who were dissatisfied with *Chosoren's* radical tendencies broke away to form *Mindan* in conjunction with the establishment of Syngman Rhee's government in South Korea in 1948. The formal division of Korea and the creation of separate governments in the north and south solidified the split in Japan's Korean community along ideological lines.

### **1. Divided Country, Divided Countrymen**

In August 1945, the United States and the USSR agreed to divide the Korean peninsula at the 38th parallel. In the north, Soviet-style people's committees were organized. By the end of 1946, land distribution, equal rights for men and women, nationalization of industry, social security, and labor laws were in place. The south, from where most of the Koreans in Japan had immigrated, was ravaged by floods and

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<sup>57</sup> Mitchell, pp.104-105.

<sup>58</sup> Ibid., p. 105.

<sup>59</sup> Hicks, p. 26.

epidemics. Also, the basic colonial bureaucratic structure as well as many former colonial administrators and Japanese collaborators were retained by U.S. authorities to help rebuild the ravished country. The political situation in the south was chaotic and many individuals competed for authority and legitimacy as opposed to the perception that famous patriots were efficiently leading the north. As a result, over 600,000 Koreans elected to remain in Japan at the end of World War II. Both Korean governing systems claimed to represent the entire peninsula and thus all Koreans in Japan.<sup>60</sup>

The formal division of Korea and the creation of a separate Republic of Korea government in the South in 1948 solidified the split in Japan's Korean community along ideological lines. The Korean organization associated with the North briefly joined forces with the Japanese Communist Party in the *Minsen* (the Democratic Front of Koreans) before establishing the formally independent *Chosoren* in May 1955.<sup>61</sup>

## **2. The Osaka School Riots**

By October 1947, *Chosoren* had established 578 schools and employed 1500 teachers to educate 62,000 students throughout Japan. (In contrast, the proto-*Mindán* groups had only established 40 schools and 6,828 pupils.)<sup>62</sup> Ethnic Korean education, a distinguishing feature of Korean marginalization in Japanese society today, served as an early example of the threat Koreans posed to Japanese society. Ethnic schools were originally established to prepare for repatriation. Koreans soon realized that many would remain in Japan, and the schools' focus shifted to preserving their Korean heritage.

American occupation authorities prompted the Japanese Education Ministry to decree that Korean children must be enrolled in public schools or accredited private schools, leading to the Osaka-Kobe Education Incident of April 1948. Korean protests against closings of *Chosoren* schools turned violent, leading to the only declared state of emergency during the Occupation. One youth was killed, hundreds injured, vast property damage occurred, and 4600 arrests were made. Eventually 169 persons were charged with sedition later in the year, and the *Chosoren* was banned under the Organization

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<sup>60</sup> Ryang, p. 79.

<sup>61</sup> Chin Hee-gwan, pp. 62-63.

<sup>62</sup> Mitchell, p. 114.

Control Law.<sup>63</sup> Investigations supported the opinion that the education uprising was organized by the Japanese Communist Party. The education protest was the final event that convinced SCAP that *Chosoren* and its affiliated left-wing Korean organizations posed a threat to stability and democracy in Japan.<sup>64</sup>

Shortly after the Osaka school riots, Japan underwent its own “red purge” that reflected American anxieties over the loss of China. On September 8, 1949, the Japanese government dissolved *Chosoren* and three other left-wing Korean groups for “anti-democratic and terroristic associations that resisted the orders of the Allied Occupation.”<sup>65</sup> The Ministry of Justice dissolved the league and confiscated assets valued in excess of 70 million yen.<sup>66</sup> In retrospect, hostile policy towards the Korean minority was counterproductive. Persecution of *Chosoren* only reinforced the feeling of separateness and nationalism among Koreans in Japan and pushed them further into the orbit of North Korean influence.<sup>67</sup>

### **3. Anti-war Activism**

On April 28, 1952, the San Francisco Peace Treaty went into effect, ending the American occupation and restoring Japanese sovereignty. Koreans and Taiwanese lost the Japanese nationality once imposed upon them as colonial subjects. Now they fell under the Alien Registration Law (ARL), which required fingerprinting and the possession of a passbook at all times.<sup>68</sup> In addition to simple ethnic discrimination, the measures of the ARL were enacted because the Japanese government viewed the Korean population as a potentially dangerous and subversive element due to fire-bombings of police stations and sabotage of factories and U.S. bases by North Korean sympathizers early in the Korean War.<sup>69</sup>

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<sup>63</sup> Hicks, pp. 27-28.

<sup>64</sup> Mitchell, p. 116.

<sup>65</sup> Ibid., p. 117.

<sup>66</sup> Ryang, p. 82.

<sup>67</sup> Paul Huen Chan, p. 384.

<sup>68</sup> Suzuki and Oiwa, p. 163.

<sup>69</sup> Hicks, p. 30.

The Korean conflict inflamed passions of Koreans in Japan, especially those of the left wing. During the war, the DPRK-affiliated *Minsen* collaborated with the Japanese Communist Party (JCP) to sabotage the production of war materials destined for Korea and raise funds and spread propaganda for North Korea. Riots between communists and police in industrial areas increased from 1951 to the spring of 1952, culminating in the May Day riots on the Imperial Palace Plaza that left one dead and thousands injured.<sup>70</sup> Kim Shijong, a prominent Korean poet in Japan, explained his involvement in the antiwar movement: "... ninety percent of resident Koreans were behind it. Trains were loaded with bombs. If they could be stopped for ten minutes, it would save 10,000 lives in Korea. So we'd lie on tracks or break signals so they were fixed on stop.... The Japanese government, with help from the CIA, did all they could to crush us...."<sup>71</sup>

Soon, however, North Korea felt that *Minsen's* priorities were misplaced and ordered it to end its association with the JCP and concentrate on Korean problems. *Minsen* disbanded on May 26, 1955 and was replaced by the modern-day *Chosen Soren*. This organization was determined to remain independent of other communist organizations, concentrate solely on the livelihood of Koreans in Japan, and promote DPRK interests. Its goals were: peaceful unification of Korea, protection of Korean racial rights, the promotion of racial education, and the normalization of relations between the Democratic People's Republic of Korea and Japan.<sup>72</sup>

#### 4. *Mindan*

The upstart *Mindan* had much to overcome when it was founded in 1948. For one, most Koreans identified with the *Chosoren* because of its wealth and the power and influence it wielded in the areas of education and repatriation. Also, the south's fledgling government was too concerned with establishing its own stability and largely neglected Koreans in Japan. Like *Chosoren*, *Mindan* was dedicated to promoting the welfare of Koreans in Japan and was anti-Japanese. However, it received little financial and moral support from the Republic of Korea until the fall of the Syngman Rhee

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<sup>70</sup>Mitchell, p. 118-120.

<sup>71</sup> Suzuki and Oiwa, pp. 180-181.

<sup>72</sup> Mitchell, p. 121.



government in April 1960.<sup>73</sup> Between 1945 and 1960, the DPRK sent 1.2 trillion yen in education aide to its groups in Japan as compared with the 100 million provided by the ROK to its group.<sup>74</sup> Hicks goes so far as to claim, to the contrary, that Rhee's government was dependent upon *Mindan*.<sup>75</sup>

While *Chosoren* and North Korea worked closely to attain their goals in Japan, *Mindan* and its home government often feuded, especially on the subject of Japan-Korean relations. Some members of *Mindan* wanted South Korea to speed up normalization negotiations and come to an agreement with the Japanese to improve the position of Koreans in Japan. Others were upset by the humiliating concessions that South Korea was making in normalization talks. However, the most significant reason for *Mindan*'s relative weakness was that it did not have the ideological weapon of the *Chosoren*. Its leaders were a prosperous and conservative middle-class group that did not identify with most Koreans in Japan.<sup>76</sup>

## 5. "People of Chosun?"

An interesting side note to Japanese fears of and treatment of ethnic Koreans as subversive and as a potential security risk involves the mistaken classification of Koreans after the war. In February 1960, the 613,671 Koreans living in Japan comprised 90 percent of the foreigners in Japan. Of these, 444,586 were registered as citizens of the North Korea whereas 162,871 were citizens of South Korea. (These figures do not include 25,723 Koreans who had been naturalized as Japanese citizens.)<sup>77</sup> March 1953 statistics show that 95 percent of the 600,000 Koreans remaining in Japan were from the south. For example, 61 percent were from Kyungsang Province, 12 percent from Cheju Island, and 11 percent from Cholla. But 1950 Ministry of Justice records show that 92.6 percent of Koreans in Japan identified themselves as a *Chosun-in*, or "North Korean citizen." This is because the DPRK used the term *Chosun* and Koreans residing in Japan identified more easily with this ancient name for their homeland because it is the Korean

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<sup>73</sup> Mitchell, p. 125.

<sup>74</sup> Ibid., p. 138.

<sup>75</sup> Hicks, p. 27.

<sup>76</sup> Mitchell, pp. 125-126.

<sup>77</sup> Ibid., p. 131.

pronunciation of the Japanese pronunciation of the Chinese ideograph for Korea—  
“Chosen.” Thus, Koreans in Japan unwittingly identified with the North because they  
still considered themselves “people of Chosun.”<sup>78</sup>

The following chapter illustrates how the “people of Chosun” who identified with  
North Korea, unwittingly or not, greatly influenced Japan’s tumultuous relationships with  
the rival governments on the Korean peninsula during the Cold War.

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<sup>78</sup> Chin Hee-gwan, pp. 61-62.

### **III. *CHOSEN SOREN* IN THE COLD WAR**

#### **A. INTRODUCTION**

After three years of the Korean conflict's death and destruction established nothing, a "cold war" was re-declared on Korean peninsula. Instead of physical combat, the Cold War in Korea was a zero-sum battle for political legitimacy between Pyongyang's government in the north, backed by the USSR and China, and Seoul's government in the south, supported by the United States and its main Asian ally, Japan.

When *Chosen Soren* was officially founded in May 1955, nearly a decade after World War II ended, none of the governments in Tokyo, Seoul, or Pyongyang had established formal diplomatic relations yet. In fact, it would take 10 more years of emotionally charged negotiations before Japan and South Korea finally exchanged ambassadors. However, the ugly past between Japan and Korea was never far below the surface of Japan-Korea relations, especially since the living reminder of that past, the *zainichi* Koreans, were used as bargaining chips by all three countries throughout the Cold War. While the two Koreas jockeyed to win the allegiance of the *zainichi* Koreans, Japan used its Korean population to alternately further its economic development (in its relations with North Korea) and antagonize its neighbor (in its relations with South Korea).

#### **B. THE CALCUTTA AGREEMENT**

South Korea was not a party to the San Francisco Peace Treaty because it was a colony of Japan during the war. Instead, it was necessary for Tokyo and Seoul to negotiate an agreement to settle reparations for Japan's colonization of Korea and establish relations on an equal, state-to-state basis. Unfortunately, Korean President Syngman Rhee, who spent many years in exile during Japan's occupation, hated the Japanese, and many high Japanese officials enjoyed reminding Koreans of their painful colonial experience. Thus, it is not surprising that discussions on nearly every topic, especially those regarding *zainichi* Koreans, were acrimonious. Despite frequent

harangues about the rights of Koreans in Japan, Rhee's government offered very little in concrete support, especially when compared with Pyongyang.<sup>79</sup>

While Seoul was embroiled in its contentious normalization talks, North Korea stayed above the fray by offering "sweetheart deals" that appealed to both *zainichi* Koreans and the Japanese government. The resulting Calcutta Agreement was a huge diplomatic coup for Pyongyang, as it won the allegiance of thousands of *zainichi* Koreans, achieved virtual legitimization from Tokyo, and thoroughly embarrassed Seoul.

### **1. Pyongyang's Gains**

South Korea demanded that Japan pay compensation to Koreans who were in Japan during the war. In contrast the DPRK waived compensation claims and offered to pay the entire cost of repatriation. At the time, North Korea was progressing economically, while economic decay and political corruption were endemic in the South. The DPRK sweetened the deal with Cabinet Order 53, which stipulated a host of incentives for Koreans to return to the North, including monetary payments of 20,000 won to adults and 10,000 won to children. In August 1958, Kim Il Sung announced that all Koreans were welcome to return to the North. Japanese Prime Minister Kishi Nobosuke's government began negotiating with the DPRK in 1958 and gave its consent on February 13, 1959. The International Red Cross ratified the repatriation plan in Calcutta, India on August 13, 1959.<sup>80</sup>

Between December 14, 1959 and December 11, 1960, some 51,325 Koreans were repatriated to the North under the Calcutta Agreement. Korean incentives for moving to the North, despite the fact that most were from the South, included employment, education, and improved living standards promised them. Seventy-five percent of the Koreans who chose to go north were unemployed. The discrimination they faced in Japanese society also factored into their decisions.<sup>81</sup>

The Calcutta Agreement epitomizes how *zainichi* Koreans were used by leaders in Tokyo, Seoul, and Pyongyang to antagonize rival governments during the Cold War.

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<sup>79</sup> Mitchell, pp. 135-136.

<sup>80</sup>Ibid., pp. 139-142.

<sup>81</sup> Ibid., p. 144.

Japan was able to rid itself of a large number of a despised minority who, as welfare recipients, were a financial burden to Japan. At the time Tokyo was engaged in very contentious talks to normalize relations with Syngman Rhee's government, and Calcutta was the perfect way to "stick it" to Seoul. Both Pyongyang and Seoul claimed to be the only legitimate government for Koreans on the peninsula as well as in Japan, so Calcutta amounted to South Korea losing citizens as well as losing face. The Calcutta Agreement was a huge victory for North Korea. In addition to receiving an influx of labor, negotiating and signing an internationally recognized agreement—with a US ally, no less—essentially established Pyongyang's legitimacy in international circles.

## **2. Tokyo's Gains**

Because of discrimination, many Koreans in Japan lived near the poverty line. Between 1952 and 1963, Koreans received 2.7 trillion yen annually from Japanese social service agencies. Koreans were ten times more likely to receive aid than Japanese. The life of the average Korean had changed little from pre-war to post-war. Many were unemployed. Those who did have jobs were unskilled labor. Others ran dance halls, *pachinko* parlors (similar to pinball), movie theaters, and restaurants. Excluded from mainstream economic life, Koreans led a precarious existence vulnerable to periods of economic depression. Thus, many turned to illicit manufacture of liquor and narcotic trafficking, explaining why the Korean crime rate was six times that of Japanese.<sup>82</sup>

The Japanese claimed that they entered into the agreement on humanitarian grounds. But it is clear that Japanese self-interests were helped by reducing the burden of welfare recipients, not having to pay repatriation expenses or reparation claims, and shipping out potentially subversive and disloyal elements, not to mention a despised minority group.

## **3. Seoul's Loss**

The Calcutta Agreement was also clearly a message to South Korea as it resulted in (1) the transfer of over 50,000 Koreans to North Korea (2) and the legitimization of North Korea by entering into an internationally recognized agreement—with an American ally, no less. In eight years of contentious normalization talks, Seoul had used

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<sup>82</sup> Mitchell, pp. 130-131.

*zainichi* Koreans in its game of diplomatic chess, but Japan tired of the game and removed the pieces.<sup>83</sup>

Since the majority of the Koreans in Japan originally came from the south, the repatriation was no small embarrassment for the ROK. In fact, South Korea was so incensed that it angrily threatened to sink all repatriation ships that sailed from Japanese ports.<sup>84</sup> The repatriation program essentially scuttled the second round of the normalization talks between Japan and the Republic of Korea that began in early 1958.

### **C. “NORMALIZED” RELATIONS**

Despite the lingering bitterness from the colonial era, Japan and South Korea developed a symbiotic economic relationship during the Cold War. Japan provided a model for growth and supplied many of the capital goods needed for South Korea’s industrialization. Japanese official development assistance, private investment, and important technology transfers to South Korea simultaneously benefited both countries.<sup>85</sup> Anything but smooth, the ROK-Japan relationship relied on the security ensured by the U.S. military to provide stability for economic growth. Despite their economic interdependence and common security benefactor in the United States, the Japan-ROK Cold War relationship was one characterized by frequent diplomatic rows, many arising from Japan’s relations with North Korea and especially the relationship of Koreans in Japan to North Korea.

#### **1. Japan-ROK Normalization Treaty**

The Korea-Japan Normalization Treaty of 1965 was a tumultuous issue for all in Japan. *Chosen Soren* and other left wing organizations opposed normalization because it would bind the ROK and Japan to a triangular relationship centered on the United States. Japanese opposed the implications of a treaty that might get Japan involved in another Korean peninsula conflict, contrary to the nation’s pacifist constitution. *Mindan* opposed the treaty because of the humiliating concessions Park Chung Hee’s South Korean government was making. A key area of dispute for the ROK government during negotiations was the legal status of Koreans in Japan. Seoul wanted Japan to grant

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<sup>83</sup> Mitchell, p. 143.

<sup>84</sup> Victor Cha, p. 91.

<sup>85</sup> Armacost and Pyle, p. 7.

*zainichi* Koreans residence rights and stop legal discrimination, as well as sever the link between Koreans in Japan and North Korea.<sup>86</sup>

Normalization instantly tipped the scales of influence in favor of *Mindan*. After normalization, Koreans in Japan were given five years to register as a North or South Korean. Those who registered as South Koreans would receive permanent residence and foreign travel rights.<sup>87</sup> The newly established ROK Embassy and *Mindan* cooperated closely to issue passports to Republic of Korea nationals and help establish other social services. But *Chosen Soren* members remain stateless today, as Japan and the DPRK have yet to establish formal ties. While *Mindan*'s relevance is limited to cultural and sociological studies, the "overseas citizens of the DPRK" affiliated with *Chosen Soren* have left an indelible mark on Japan's relations with both governments on the Korean Peninsula.<sup>88</sup>

## **2. "A Significant Problem"**

Almost immediately after the normalization treaty was signed on June 22, 1965, the ROK and Japan clashed over Japan's relations with Kim Il Sung's regime, namely Japanese exports to the North and travel of *Chosen Soren* members between Japan and the DPRK. Incensed South Korean officials tried to obstruct travel between Japan and the ROK, and both sides wasted no time in using their newly constituted state-to-state relationship to file formal protests and threaten to recall ambassadors.<sup>89</sup> It should come as no surprise that Seoul's severe reaction to Japan's reentry policies prompted the CIA to cite this as a significant problem between the two countries in December 1965 and February 1966.<sup>90</sup>

Indeed, the ink on the normalization treaty had hardly dried when Japanese Prime Minister Sato's cabinet began researching how to increase trade with North Korea to an annual level of \$100 million.<sup>91</sup> In what was to become a typical pattern in Japanese

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<sup>86</sup> Mitchell, p. 135.

<sup>87</sup> Paul Huen Chan, p. 388.

<sup>88</sup> Hicks, p. 23.

<sup>89</sup> Victor Cha, p. 59.

<sup>90</sup> Ibid., p. 91.

<sup>91</sup> Takita Kazuo, "Japan: Trader's Red Faces," *Far Eastern Economic Review*, Vol. 49, No. 6, (5 Aug

politics throughout the Cold War, Ministry of Foreign Affairs (MOFA) officials were opposed to increasing trade with North Korea because of its adverse implications on relations with the ROK. The Ministry of Justice also had reservations because of the security concerns of allowing free travel between the DPRK and Japan. But key Liberal Democratic Party (LDP) politicians, who received some financial support from *Chosen Soren*, eventually overlooked these concerns to satisfy constituents and keep money flowing into party coffers.<sup>92</sup>

Trade between Japan and North Korea in Fiscal Year (FY) 1964 was already \$32 million—2.2 times the amount of trade in FY 1963. Increases in sales of Japan's steel, textiles, chemical and pharmaceutical products, and machinery and instruments to North Korea and increases in Japanese imports of North Korean iron ore, electrolytic zinc, maize, and pig iron accounted for the burgeoning trade.<sup>93</sup> Also, in May-June 1964, Japan was the first capitalist country to participate in Pyongyang's annual international trade fair, displaying 359 commodities worth nearly 374 million yen (a little over \$1 million at the prevailing exchange rate at the time).

In January 1969, the Japan-North Korea Trade Association completed an agreement—negotiations for which began around the time of the normalization of ROK-Japan relations—to export \$40 million worth of machine tools, mining machinery, meters and gauges, and plant equipment to North Korea. Seoul strongly voiced its concern about “dual-use applications of equipment and technology that could boost North Korea's military potential.”<sup>94</sup>

Later that year the Japanese government pacified Seoul by withdrawing its support to subsidize Japanese participation in a North Korean science and technology fair. Japan also denied visa requests for a 73-person *Chosen Soren* delegation to North Korea and did not grant visas for North Koreans to attend the 1969 Japanese Communist Party convention. However, in February 1970, the World Health Organization investigated claims that a Japanese company had delivered orders of anthrax, cholera, and

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1965), p. 243. Hereafter, I will refer to *Far Eastern Economic Review* as *FEER*.

<sup>92</sup> Interview with Eric Johnston, Osaka Bureau Chief, *The Japan Times*, 24 June 2003, Osaka, Japan.

<sup>93</sup> Takita, “Japan: Trader's Red Faces.”

<sup>94</sup> Victor Cha, p. 90.



the plague to North Korea. Although findings were negative, the investigation did disclose that 11 Japanese firms were smuggling electronic parts into the DPRK.<sup>95</sup>

### **3. *Seiki Bunri* (Separation of Politics from Economics)**

An irritated South Korea constantly criticized Japan's "two-Koreas" policy, which normalization was supposed to prevent, especially since the treaty acknowledged the ROK as the "sole legal government on the Korean peninsula."<sup>96</sup> ROK-Japan relations were characterized by frequent protests from Seoul against "unfriendly acts" and "breaches" of the normalization treaty in Japan's approaches to North Korea. Examples included Tokyo's policy of stamping "Democratic People's Republic of Korea" in passports of Japanese traders going to North Korea. The resumption of the repatriation of ethnic Koreans to the DPRK in 1971 after the original accord (the Calcutta Agreement) expired in 1967 also greatly angered Seoul (up to that point 88,600 had gone).<sup>97</sup>

The Japanese referred to their policy toward both governments on the Korean peninsula as part of its *seikei bunri* (separation of politics from economics) strategy in use worldwide.<sup>98</sup> Japanese companies involved in North Korea also reacted to Seoul's criticisms by insisting that they were only interested in profit, not politics. Thus, South Koreans began denouncing their Japanese neighbor as a very clever "economic animal."<sup>99</sup>

Despite the name calling, and perhaps adding to its bitterness, was the fact that South Korea was still very dependent on Japan for its economic development. Included in the terms of the 1965 Normalization Treaty were Japanese war damage reparations to South Korea. Japan agreed to provide Seoul with \$300 million in grants and \$200 million in soft loans on a 10-year installment basis beginning in 1966. By 1970, Japan was South Korea's second largest source of foreign funds, providing \$13.1 million in government loans and \$85.6 million in commercial loans for 144 projects. In particular,

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<sup>95</sup> Victor Cha, pp. 90-93.

<sup>96</sup> Kim Sam-o, "South Korea: Eyes North," *FEER*, Vol. 75, No.10, (4 Mar 1972), p. 65.

<sup>97</sup> Kim Sam-o, "South Korea: Situation Normalising," *FEER*, Vol. 71, No. 13, (27 Mar 1971), p. 64.

<sup>98</sup> Victor Cha, p. 90.

<sup>99</sup> Kim Sam-o, "South Korea: Eyes North."

Japan supplied \$123.7 million of the \$210 million price tag of South Korea's first integrated steel and iron mill.<sup>100</sup>

In 1972, Japanese goods accounted for 39 percent of ROK imports as most of South Korea's raw materials and capital goods arrived from Japan. In addition, easier Japanese loans and grants, geographical proximity and cheaper freight charges resulted in a lop-sided trade ratio (1:3.5) in favor of Japan.<sup>101</sup> After enduring 36 years of colonial occupation; witnessing Japan's economic boom aided by the Korean War; feeling shortchanged on its war reparations; and jealously watching Japan's continued flirtation with the North, South Koreans looked upon their neighbor with rancor while holding out their hands for assistance.

But the flashpoint for the next ROK-Japan diplomatic row was a Japanese parliamentary delegation's visit to Pyongyang in January 1972—the first in the post-war era. The visit resulted in a memorandum trade agreement calling for an increase in the two-way volume of trade to \$520 million by 1976, 10 times the amount of trade in 1972. Japan and North Korea also proposed opening a North Korean trade office in Japan; beginning regular shipping services between the two countries; and increasing the scale of North Korean farm and fishery exports to Japan.<sup>102</sup> Additionally, South Korea was growing increasingly irritated by improved Japanese-DPRK trade relations, which increased from \$58.4 million to \$376 million from 1971 to 1974.<sup>103</sup> Analysts at the time contended that Japan was attempting to boost trade with the DPRK in hopes of normalizing its relations with Kim Il Sung's government.<sup>104</sup>

#### **4. Japan: “Relay Station for Communist Activities”**

South Korea also feared that improvements in Japan-DPRK relations would only come at the expense of Japanese-South Korean relations “and a weakening of the anti-communist deterrent on the peninsula.” Japan's perspective was that forging ties with North Korea would simultaneously expand markets while reducing the security threat to

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<sup>100</sup> Kim Sam-o, “South Korea: Eyes North.”

<sup>101</sup> Ibid.

<sup>102</sup> Ibid.

<sup>103</sup> Victor Cha, pp. 136-137.

<sup>104</sup> Kim Sam-o, “South Korea: Eyes North.”

Japan. Prime Minister Tanaka even advocated a Japanese foreign policy of balanced treatment of the two Koreas in a November 1972 Diet speech.<sup>105</sup>

By this time, Park Chung Hee's government was becoming more oppressive as its paranoia about security and frustration with its inability to control the Korean community in Japan grew. In 1972, South Korea, angered by what was considered overly favorable coverage of the DPRK in the Japanese press, closed the *Yomiuri Shinbun's* (newspaper) Seoul offices, banned its circulation in South Korea, and expelled its correspondents.<sup>106</sup> Meanwhile, the government-controlled South Korean media continued churning out reports about northern "spy rings" and "spy schools" in Japan.<sup>107</sup>

Seoul continually argued that lackadaisical Japanese reentry policies were a security threat since these individuals could freely travel to South Korea after gaining entry to Japan.<sup>108</sup> Issuing reentry visas to *Chosen Soren* members encouraged North Korean espionage, training, and infiltration activities against the South.<sup>109</sup> South Korean fears were not unfounded. Between April 1971 and February 1976, 36 Koreans from Japan were incarcerated for violating South Korean political laws, including six who received death sentences.<sup>110</sup> Indeed, Kim Il Sung's 1972 New Year's Day Speech emphasized the importance of *Chosen Soren* to DPRK foreign policy:

Korean nationals in Japan should fight unyieldingly to expedite the peaceful unification of the homeland.... Korean nationalists in Japan should smash up the spying acts and all the subversive activities of the United States and Japanese reactionaries and the factionalists, further consolidate their ranks, rally themselves closely around the *Chongryun* and wage a vigorous struggle.<sup>111</sup>

**a.      *The Kim Dae Jung Affair***

By the early 1970s, Koreans in Japan were complaining that both South and North Korea were not helping but merely trying to use them. The kidnapping of

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<sup>105</sup> Victor Cha, pp. 119-120.

<sup>106</sup> Ibid., p. 124.

<sup>107</sup> "S. Korea/August 15: The backlash of oppression," *FEER*, Vol. 85, No. 33, (23 Aug 1974), p. 9.

<sup>108</sup> Victor Cha, p. 122.

<sup>109</sup> Ibid., p. 91.

<sup>110</sup> Paul Huen Chan, pp. 391-392.

<sup>111</sup> Ibid., pp. 378-379.

South Korean opposition leader Kim Dae Jung by the Korean CIA from his Tokyo hotel room on 8 August 1973 disillusioned many Koreans in Japan and severely threatened political and economic ties between the ROK and Japan.<sup>112</sup> Japanese public opinion felt that both Seoul and Tokyo were more interested in compromising on a political settlement rather than a legal probe, which could have implicated the ROK government and Japanese rightist underground operators.<sup>113</sup>

The *New York Times* reported, “The Kim Dae Jung affair has revived resentments springing from the legacy of 40 years of Japanese colonial rule of Korea—in the Koreans their hatred and distrust of the Japanese, in the Japanese their contempt and scorn for the Koreans.” During this period relations hit a low point, as Japan criticized South Korea for exaggerating security threats to justify its authoritarian regime. South Korea attacked Japan’s equidistant policy as one that “intended to perpetuate the division of the peninsula and keep Koreans subservient to Japan.”<sup>114</sup>

***b. Park Assassination Attempt***

On August 15, 1974, a *zainichi* Korean named Mun Se Kwang attempted to assassinate Park Chung Hee as he delivered an address commemorating Korean Liberation Day. (Although he missed Park, he did kill the First Lady.) Predictably, an indignant South Korea immediately pointed the finger at North Korean operatives in Japan, while Tokyo denied the accusations. The crisis was further inflamed by the comments of the Japanese foreign minister, a very defensive Toshio Kimura. On August 19, Kimura said there was no threat from the North to South Korea. Then, on September 5, 1974, Kimura added that Seoul was not the only legitimate government on the Korean peninsula.<sup>115</sup> Kimura’s comments were certainly intended to deflect criticism away from Tokyo by making use of South Korean insecurities.

Investigation quickly determined that Mun, a Japanese resident, had received instructions and financial compensation from pro-North Korea groups in Japan.

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<sup>112</sup> Paul Huen Chan, pp. 391-395.

<sup>113</sup> Kim Sam-O and Nakamura Koji, “Stirring up old resentments,” *FEER*, Vol. 85, No. 37, (20 Sep 1974), p. 22.

<sup>114</sup> Richard Halloran, “Tokyo and Seoul Harden Positions,” *New York Times*, 10 Oct. 1973, as quoted by Victor Cha, pp. 127-128.

<sup>115</sup> Nakamura Koji, “Seeing both sides of the coin,” *FEER*, Vol. 85, No. 38, (27 Sep 1974), p. 21.

The attempt on Park's life seemed to validate ROK complaints that Japan's "weak posture toward pro-North Korean groups in Japan was making the country a 'relay station for communist activities.'"<sup>116</sup> The "assassination attempt" crisis was settled when an embarrassed Japanese government sent special emissary Shiina Etsusaburo to Seoul. Shiina, an elder statesman and former foreign minister, pledged that Japan would improve the monitoring of political groups within Japan. Specifically, the Shiina Memorandum stated that private internal activities critical of any specific foreign government would not be permitted in Japan became official Japanese government policy.<sup>117</sup> Implicitly, it obligated Japan to crack down on *Chosen Soren*'s political diatribes against Park's regime.

#### **D. THE TIDE TURNS AGAINST *CHOSEN SOREN* AND THE DPRK**

The Kim Dae Jung kidnapping and attempted assassination of Park Chung Hee were very serious crises in a most contentious first decade of formal Japan-ROK diplomatic ties. As the Cold War progressed, relations between Seoul and Tokyo gradually improved because South Korea's position vis-à-vis North Korea improved. International developments, and specifically developments on the Korean Peninsula, would begin to test the loyalty of *Chosen Soren* members for the remainder of the Cold War.

##### **1. Seoul's Propaganda Victories**

In the mid-1970s, Seoul began winning the battle for the hearts and minds of Koreans in Japan with an ingenious campaign of "home visits" by *zainichi* Koreans to visit relatives and ancestral homes while also showcasing the modernity of South Korea. The National Unification Promotion Association in Seoul cooperated with *Mindan* to help sponsor the trips, which targeted *Chosen Soren* members. The two-week tour started from the bustling capital of Seoul, ran along the brand new highway down to Pusan, then wound its way through the industrial complexes of Ulsan and Pohang. Fittingly, the tour ended with a visit to the shrine of Admiral Yi Sun-shin, the Korean

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<sup>116</sup> Victor Cha, p. 129.

<sup>117</sup> William Jamie Husley, "Japan and North Korea: The Growing Accommodation Between Japan and North Korea and Its Effect on the National Security of the United States," Master's Thesis, Naval Postgraduate School, 1978, pp. 112-113.

national hero who stopped Hideyoshi's invading Japanese forces way back in the sixteenth century.

The program successfully presented the image of an economically vibrant South Korea, a politically proud and ego-boosting motherland. Participants of both the North and South's propaganda programs remarked that the very open southern tour left quite a positive impression compared to their staid and structured experience in the North.<sup>118</sup> Over 1500 *zainichi* Koreans connected with *Chosen Soren* visited South Korea in November 1975. Upon returning to Japan, many participants joined *Mindan*. One Korean man stated: "The *Chochongryun* will be dissolved within two or three years. Its officials are obviously well paid by North Korea and their operations certainly include espionage which the Japanese authorities should probe more closely."<sup>119</sup>

Prominent spy defections also verified long-time Seoul complaints that Koreans in Japan were spying for North Korea. Pak Hi Gyun, 54 (Asami Noboru is his Japanese name), confessed to meeting with Korean communist agents in East Berlin in 1973 in the hope that he would be allowed to meet his brother, who lived in the North. Although Pak claimed that he did not actively engage in espionage, his information about contact and recruitment methods was enlightening to officials in Seoul and Tokyo. Kim Chang Jil, 31, also admitted to his active association with North Korean agents when he was a student at Yonsei University in Seoul. Kim told investigators that he had been trained for three months in communist espionage and subversion at the *Chosen Soren* central institute. "The *Chochongyon* instigates young Koreans in Japan to become anti-Seoul propagandists by providing false information about the Republic of Korea," he said. Lastly, Shin Sang Dae, a vice-chairman of *Chosen Soren*, was implicated as a key figure in communist espionage activities in South Korea by captured spies in South Korea. Shin's involvement included recruiting Koreans in Japan and dispatching them to North Korea for training.<sup>120</sup>

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<sup>118</sup> "South Korea: Sentimental journey -- on the State," *FEER*, Vol. 91, No. 6, (6 Feb 1976), p. 14.

<sup>119</sup> Richard Hughes, untitled commentary, *FEER*, Vol. 91, No. 2, (9 Jan 1976), p. 19.

<sup>120</sup> Richard Hughes, untitled commentaries in *FEER*, Vol. 91, No. 2, (9 Jan 1976), p. 19, and Vol. 105, No. 34, (24 Aug 1979), p. 19.

## 2. Chinks in *Chosen Soren's* Armor<sup>121</sup>

As early as twenty years ago, analysts began predicting *Chosen Soren's* demise. In August 1982, the *Far Eastern Economic Review (FEER)* featured an article on *Chosen Soren*. At the time, *Chosen Soren* sponsored 19 corporations and two trading firms, one university, 12 high schools, 56 middle schools and 85 primary schools in Japan. The *Chosen Soren*-run Korean Credit Association boasted 161 branches and 300,000 customers (approximately half of the 600,000 Koreans living in Japan), serviced by 23,500 employees. Total deposits were estimated at \$2.65 billion.

*Chosen Soren* claimed 435,000 dues-paying members and 49 chapters, or one for every prefecture and municipality in Japan.<sup>122</sup> *Mindan's* registered membership was 397,600. And while membership figures may not have added up, both sides agreed that nearly 100 percent of *Chosen Soren's* members were originally from southern Korea. *Chosen Soren's* main emphasis was to maintain the national pride and identity of Koreans in Japan and to prevent Koreans from becoming assimilated into Japanese society. In contrast, *Mindan* was very active in lobbying for Koreans to get full civil and human rights in Japan.

In addition to discussing the unique activities of the nearly self-sufficient and self-contained community, *FEER* also reported on the dark side of *Chosen Soren*, including its alleged espionage activities for North Korea, both in Japan and in South Korea. A secret group within *Chosen Soren*, called *Rodong*, was thought to lead the nefarious activities of the association, sometimes under direct orders from Pyongyang. There were also suspicions that *Chosen Soren* members were involved in kidnapping Japanese citizens. Japanese immigration officials estimated that 5,000 people a year illegally traveled to North Korea for revolutionary training, sightseeing or for permanent immigration.

Some Japanese Government officials also accused *Chosen Soren* of extorting its own members in order to remit much-needed hard currency to the North. *Mindan*

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<sup>121</sup> The first five paragraphs of this section are compiled from: Mike Tharp, "For self-reliance in Kim Il Sung's name," *FEER*, Vol. 117, No. 34, (20/26 Aug 1982) p. 22.

<sup>122</sup> At the time, Japan had 47 prefectures, similar to states in the United States, as well as the two municipalities of Tokyo and Osaka.

officials corroborated these statements by claiming that pro-North residents of Japan were growing increasingly reluctant to send money to North Korea. *Mindan* implied that much of the 5 billion yen that Korean businessmen sent to North Korea in honor of Kim Il Sung's 70th birthday party in 1982 was not sent voluntarily.

Japanese authorities also stated that many *Chosen Soren* members were leaving the organization, or abandoning active support for it, after visiting North Korea and seeing conditions there. *Mindan* claimed that *Chosen Soren* was splintering into two factions: one favoring the succession of Kim's son, Kim Jung Il, as president of North Korea after the older Kim dies, the other opposed to the younger Kim. Lastly, there were doubts expressed about whether *Chosen Soren* would be able to maintain its status among either Koreans in Japan or with North Korea as the younger generations of *zainichi* Koreans identified more with being Japanese.

By 1986, Japan's economic relations with North Korea remain stalled by unresolved debt problems. North Korea owed Japanese banks 60 billion yen as a result of its import splurge in the early 1970s. Despite the lofty goals of 15 years earlier, Japan-DPRK trade in FY 1984 and 1985 was only 100 billion yen, with 80 percent of that trade conducted by North Korean residents in Japan using contacts and financing channels which eluded Japanese trading companies.<sup>123</sup>

Despite this, Japan's policy toward North Korea continued to be the most disruptive factor in Tokyo-Seoul relations for the remainder of the Cold War.<sup>124</sup> The Nakasone cabinet of the 1980s sought to secure stability on the Korean peninsula by inducing Pyongyang's interaction with the West. Tokyo claimed that isolation and lack of dialogue heightened the North's fears of encirclement and isolation and increased the likelihood of lashing out in a hostile manner. Again, South Korea criticized the "economic animal" for attempting to "free-ride" on ROK-U.S. defense efforts.<sup>125</sup>

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<sup>123</sup> Charles Smith, "Ebbs, flows, and hiccups along the narrow way," *FEER*, Vol. 132, No. 24, (12 Jun 1986), p. 84.

<sup>124</sup> Victor Cha, p. 89.

<sup>125</sup> *Ibid.*, pp. 190-192.



### 3. *Chosen Soren* at the End of the Cold War

International developments, and specifically developments on the Korean Peninsula, continued to wear at *Chosen Soren*'s membership numbers for the remainder of the Cold War. First, the tours of South Korea sponsored by *Mindan* and even free travel by individuals clearly showed that the South was not as bad off as depicted in Northern propaganda. Those who had the opportunity to visit both countries could easily decide for themselves that the South had surpassed the North, a conclusion that was supported by composite economic indicators of national production. Despite South Korea's dynamic economic growth, both *Mindan* and *Chosen Soren* were critical of Park Chung Hee's draconian rule, which ended with his assassination in 1979. Park's successor, Chun Doo Hwan, gradually extended human rights and social welfare. South Korea's subsequently elected leader, Roh Tae Woo, further liberalized the personal freedoms of South Koreans. While Chun was never very popular and Roh's election victory was due to the fragmentation of the opposition, there was no doubt that both the standard of living and the level of justice in South Korea had risen considerably. South Korea's proudest moment was hosting the 1988 Olympics, which displayed South Korea's high standard of living and level of overall development for the whole world, including Koreans in Japan, to see.<sup>126</sup>

At the same time, illusions about life in North Korea were being smashed. Through letters sent by their relatives in North Korea, Korean residents in Japan learned that the North was clearly an impoverished police state. Students in *Chosen Soren*-run schools easily recognized the disparities between their political education that espoused totalitarian North Korea's brand of communism (known as *juche*, or self-reliance) and the reality of the successful market economies of democratic Japan and South Korea.

In 1990, the Japanese media began reporting on the plight of *zainichi* Koreans who had returned to North Korea. Initially, returnees were welcome in North Korea not only because of the hard currency they brought with them, but also because they could be used to extort funds from their affluent relatives in Japan. And because they came from

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<sup>126</sup> Han Mi-Yeon, "Peninsular Rift Felt Acutely in Japan," *Los Angeles Times*, 10 June 1990, p. 7. The next three paragraphs are also compiled from this article.

Japan, they were considered potentially subversive. Hostages in every sense of the word, repatriates were also held responsible for the action of their relatives in Japan, explaining why Koreans in Japan were reluctant to speak out against the DPRK.

But Koreans in Japan were also caught up in the wave of pro-democracy movements that swept across the globe in 1990. A rally against Kim Il Sung was held in downtown Tokyo in late May. The organizers were all former prominent officials of *Chosen Soren* whose stated goal was to get the organization, as well as individuals, to stop sending money to North Korea, and thus deprive Pyongyang of its best source of hard currency.

The anti-DPRK and anti-*Chosen Soren* protestors were slightly ahead of their time, although those who joined their cause did so for various reasons. Four years later, the world, and especially the United States, would become interested in cutting off funds to North Korea due to the security threat Pyongyang posed to the region. It would take nearly a decade before the government of Japan took steps to stem the flow of money to North Korea, for financial reasons. And it would take another 12 years until the rest of Japan felt the same sense of anger and betrayal toward *Chosen Soren* that these former members had in 1990. The following chapter details the fall of *Chosen Soren* in the post-Cold War era.

## IV. THE FALL OF *CHOSEN SOREN*

### A. INTRODUCTION

Perhaps *Chosen Soren* would have quietly faded away as another Cold War anachronism or a reminder of discrimination in Japanese society. Reducing that possibility, it certainly seems that Japanese officials would have continued to treat *Chosen Soren* as Pyongyang's quasi-diplomatic agency in Tokyo until Japan-DPRK normalization occurred. Unfortunately, tensions in Northeast Asia have been high since North Korea announced its intention to withdraw from the Non Proliferation Treaty (NPT) in March 1993. North Korea, once thought of as just the weird, reclusive neighbor, became the unpredictable and threatening neighbor.

Over the last ten years, an increasingly desperate and isolated Pyongyang has grown progressively more sinister and hostile. As a result, Tokyo's 50 year-old policy of overlooking *Chosen Soren*'s fund-raising activities and legal transgressions in support of the DPRK was challenged with each North Korean provocation. In 1997, the Japanese government confirmed decades of rumors by officially implicating North Korea in the kidnapping of Japanese citizens during the 1970s and 1980s. Also, Japan's decade-long recession made Japanese taxpayers unwilling to continue to bail out Korean credit unions bankrupted by making illegal money transfers to the DPRK.

In September 2002, North Korean leader Kim Jung Il, who succeeded his father in 1994, hammered the final nail into *Chosen Soren*'s coffin when he admitted that North Korea had kidnapped Japanese citizens in the 1970s and 1980s. The backlash from the Japanese public spurred Tokyo to swiftly block *Chosen Soren*'s ability to aid the DPRK. The way these developments have effectively eradicated *Chosen Soren* as viable and relevant organization is the focus of this chapter.

## **B. THE 1994 NUCLEAR CRISIS<sup>127</sup>**

The collapse of the Soviet Union in 1991 truly devastated the North Korean economy.<sup>128</sup> The end of the communist bloc meant the end of the trade discounts, bartering, and “friendship prices” that North Korea had been dependent on since its inception. Unfortunately, North Korea’s limited trade relations with a small number of non-communist countries resembled its debt-plagued trade relations with Japan. Since Pyongyang had made no effort to repay outstanding debts it had accrued since the 1970s, it was regarded as untrustworthy and remained on the outside of a burgeoning global market from which many other Asian countries were benefiting. With the world turned upside down, its economy in tatters, and well-aware that South Korea had far surpassed it, North Korea suffered yet another shocking psychological blow. China—the only nation that North Korea could even remotely call a friend—began cultivating ties with Pyongyang’s archenemy in Seoul. China’s transformation into a free-market economy resulted in its normalization of relations with Seoul and a great increase in trade with South Korea (China is now South Korea’s largest trading partner).<sup>129</sup>

North Korea’s feeling of isolation and desperation in the new world order precipitated the 1994 crisis over the DPRK’s development of nuclear weapons. Only a last minute intervention by former President Jimmy Carter in June 1994 prevented a US preemptive strike and the eruption of a second Korean War. The crisis resulted in three significant developments. The immediate outcome of the incident was that North Korea, desperate for energy, received a pledge from the United States to build two light water nuclear reactors and provide 500,000 tons of oil per year until the reactors were constructed. In exchange, Pyongyang agreed to abandon its nuclear weapons program.<sup>130</sup>

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<sup>127</sup> For more background on the Korean nuclear crisis, please see: Young Whan Kihl and Peter Hayes, eds., *Peace and Security in Northeast Asia: The Nuclear Issue and the Korean Peninsula*, (London: M.E. Sharpe, 1997) and Michael J. Mazarr, *North Korea and the Bomb: A Case Study in Nonproliferation*, (New York: St Martin’s Press, 1995).

<sup>128</sup> Sonni Efron, “In Japan, Anger Toward North Korea Intensifies; Asia: Police suspect Communists in kidnappings. People ask if dictatorship is bolstered from their shores,” *Los Angeles Times* 12 May 1997, p. A12.

<sup>129</sup> Efron, “Anger Toward North Korea Intensifies.”

<sup>130</sup> Korean Peninsula Energy Development Organization (KEDO), <[www.kedo.org/au\\_history.asp](http://www.kedo.org/au_history.asp)>, 19 December 2003.

The crisis also revealed that the US-Japan Security Alliance needed to be updated to reflect the post-Cold War security environment, resulting in the 1997 Revised Guidelines for US-Japan Security Cooperation. The changes announced in 1997 updated the Cold War principle that Japan would only react to a direct attack against its territory by introducing the concept that Japan would actively cooperate with the United States to address regional threats.<sup>131</sup> Finally, in addition to prompting Japan to take a more active role in regional security, the 1994 crisis led many to examine how to best minimize the threat of the reclusive and unpredictable DPRK. An easy way to eliminate the danger of a country with almost no legitimate trading partners and a moribund economy was to deny it the money necessary to feed its million-man army and procure or develop weapons. Funding of such a belligerent and menacing regime became a topic of interest for many analysts and policy makers. Japan's economic ties with North Korea became heavily scrutinized. All too frequently, the money trail led directly to *Chosen Soren*.

### **C. ECONOMIC TIES**

Japan's economic ties with North Korea through *Chosen Soren* business enterprises were blamed for helping finance the DPRK's nuclear program during the 1994 crisis.<sup>132</sup> Although Japan devoted enormous intelligence resources to tracking North Korean activities on its soil, it did little to control the money flow to the DPRK. Some critics claimed Tokyo deliberately ignored the money flow to avoid confrontation with North Korea and to avoid being seen as discriminating against *zainichi* Koreans.<sup>133</sup>

#### **1. Money Flow**

In a presentation before the Japanese Diet (Parliament) in March 1994, the director-general of the Public Security Investigation Agency (PSIA) stated that *Chosen Soren* was remitting 60-80 billion yen (\$650-850 million at exchange rates then

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<sup>131</sup> Funabashi Yoichi's *Alliance Adrift* (New York: Council on Foreign Relations, 1999), is an excellent study on the crisis in U.S.-Japan Security Alliance in the mid-1990s.

<sup>132</sup> Hicks, p. 35

<sup>133</sup> Mary Jordan and Kevin Sullivan, "Pinball Wizards Fuel North Korea: Japan's Passion Aids Communist State; Pachinko Players Underwrite North Korea," *The Washington Post*, 7 June 1996, p. A25, <<http://kimsoft.com/korea/jp-nk1.htm>>, 28 February 2003.

prevailing) per year.<sup>134</sup> Sato Katsumi, head of the Modern Korean Institute in Tokyo and an expert on North Korea, suggested that the annual inflow from Japan (his estimate was \$747 million) was twice as much as Pyongyang's annual budget.<sup>135</sup> Han Kwang Hui, a former *Chosen Soren* senior official, confirmed, "It is an absolute fact that a huge amount of money flowed into North Korea from Japan every year."<sup>136</sup>

It appears that North Korea planned to ride Japan's economic success to fund its own military buildup. According to Pak To Ging, a former economics professor at *Chosen Soren's* Korea University in Tokyo, *Chosen Soren's* heavy involvement in the Japanese economy began in the 1980s when the DPRK embarked on developing plutonium-type nuclear weapons. The government needed a huge amount of money to pursue the project, prompting Kim Il Sung to issue a proclamation on September 15, 1986, encouraging *Chosen Soren* to expand businesses and make a profit in order to provide financial support to the regime.<sup>137</sup> In his 2002 book, *The Crime and Punishment of My Chongryun*, Han Kwang Hui asserts that Kim Il Sung's "September instruction" was "an epoch-making event" for *Chosen Soren*. The alliance of *Chosen Soren's* Joint Venture Research Association and its counterpart in Pyongyang spawned 39 industries, which included forays in pharmaceuticals, trading, insurance, and even a news agency.<sup>138</sup> Donghe Trading Company alone accounted for nearly 30 percent of Japan's trade with the DPRK (\$518 million) in 1996. The Korea-Japan Export-Import Company was practically Pyongyang's overseas trading arm, importing machinery and construction equipment for the North.<sup>139</sup>

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<sup>134</sup> Nicholas Eberstadt, "Financial Transfers from Japan to North Korea: Estimating the Unreported Flows," *Asian Survey*, Vol. 36, Issue 5 (May 1996), p. 523.

<sup>135</sup> Sato Katsumi, "Japan: Stop Funding Kim Il Sung," *FEER*, 29 July 1993, p. 23.

<sup>136</sup> Han Kwang-hui, excerpts from his book, *The Crime and Punishment of My Chongryun*, 30 April 2002, in FBIS, 22 November 2003.

<sup>137</sup> "Former Korean University Professor Tells of Bogus Monetary Transfers to North Korea," *Tokyo Shukan Posuto*, 2 December 2002, in FBIS, 12 January 2003.

<sup>138</sup> Hicks, p. 35.

<sup>139</sup> Shin Jae Hoon, "Koreans Abroad B: Shaky finances," *FEER*, Vol. 160, No. 49 (4 Dec 1997), p. 29.

## 2. *Pachinko*<sup>140</sup>

Japan's popular *pachinko* parlors were also fingered as a culprit in propping up Kim Jung Il's menacing regime. The *pachinko* industry is dominated by Koreans, and it is estimated that 30 percent of *pachinko* owners have ties to North Korea. In 1996 the *pachinko* industry grossed more than \$275 billion a year, more than the worldwide sales of Japan's auto industry at the time. Han Chang-woo, president of Maruhan Corporation, a leading *pachinko* company, said in a 1996 interview, "Everyone knows that some of the money has probably gone to North Korea's effort to build nuclear weapons. Some *pachinko* owners linked to North Korea would like to cut those ties. But if they do, their relatives in North Korea will suffer. It's as if North Korea is holding hostages."<sup>141</sup>

Following Kim Il Sung's "September instruction" in 1986, *Chosen Soren's* central headquarters entered the *pachinko* industry with gusto. Han Kwang Hui established a special training program at the Institute of the Association of Korean Credit Unions in Japan. Han also handpicked *Chosen Soren's* brightest young professionals to participate in the "Pachinko Management Seminar." By the early 1990s, *Chosen Soren* was finding it increasingly difficult to subsist on the steadily decreasing amount of donations from its dwindling membership. Thus, it directed local chapters to enter the *pachinko* industry and manage their companies in the same manner that central headquarters did.<sup>142</sup>

Currently, there are 40 locally run *pachinko* parlors operated by *Chosen Soren*-affiliated organizations in addition to 20 parlors run directly by central headquarters. Han asserts that these 60 *pachinko* parlors raise funds for almost all *Chosen Soren* activities. In some districts, earnings from a single *pachinko* parlor are covering salaries of all full-time workers at the prefectural headquarters, its branches, and schoolteachers. In Chiba

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<sup>140</sup> *Pachinko* is a cacophonous game played with small metal balls that are shot through a pinball machine. After a successful turn, a player is rewarded with more balls that fall out of the machine like coins fall out of a slot machine. "Pachinko" is the sound that the balls make as the clang and ping their way through the machine. Since gambling is illegal in Japan, players exchange their winnings for cheap prizes. They then take these prizes out of the premises of the *pachinko* parlor and walk next door or across the street to a broker who overpays for the cheap prizes.

<sup>141</sup> David Holley, "Perils and Profits of Pachinko Passion," *The Los Angeles Times*, 24 October 1996, in Proquest, 10 January 2003.

<sup>142</sup> Han Kwang-hui, *The Crime and Punishment of My Chongryun*.

Prefecture, all operational expenses of the organization are covered by profits earned by a single *pachinko* parlor named "Jumbo" in Yachiyo City.<sup>143</sup>

### **3. Meeting with Kim Jung Il**

*Chosen Soren*'s importance in supporting the DPRK is obvious from transcripts of a meeting between North Korean leader Kim Jung Il and *Chosen Soren* officials who were visiting one of his villas on 25 April 25 1998 (Kim assumed leadership of the DPRK after his father's death in 1994). During the conversation, Kim told *Chosen Soren* that the "fatherland" needs Japanese seeds, especially those that do not require much fertilizer. He also requested that *Chosen Soren* "acquire excellent species of domestic animals in Japan and send them to the fatherland." Later, the North Korean dictator commented that Japan's economic recession would be a good opportunity to buy equipment and technology from the many small and medium companies going bankrupt. Kim Jung Il was equally aware of *pachinko*'s contributions to the DPRK:

According to data furnished by the Japanese wretches, the annual sales volume in Pachinko parlors nationwide amounts to 30 trillion yen. When converted into dollars, this is equivalent to about \$250 billion. Nationwide, Pachinko parlors generate 30 trillion yen a year. This is a huge industry. Korean nationals are said to account for about 70 percent of those involved in the Pachinko business and about 33 percent of them are Chongryun-affiliated Korean residents. This being the case, Pachinko business can be said to be one of the main business areas for Chongryun-affiliated businessmen.<sup>144</sup>

### **4. The Credit Union Scandal**

The 1990s are known as "Japan's lost decade." Economists knew that after over three decades of positive performance, Japan's economy would eventually have to slow down. But the Japanese, just as amazed as the rest of the world by Japan's incredible post-war growth, saw no end in sight to their good fortune. The reckless investments of businessmen and the loose lending practices of bank managers were a bad combination. Japan's economic boom came to a sudden halt when its overheated economy crashed in

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<sup>143</sup> Han Kwang-hui, *The Crime and Punishment of My Chongryun*.

<sup>144</sup> "Full Text of Kim Chong-il's Frank 'Live-Voice Confession': 'I Told Them To Cry for Help To Get External Aid,'" Seoul *Wolgan Choson*, 01 January 2003, in FBIS, 22 November 2003.



1990.<sup>145</sup> Unfortunately, most real estate investment was financed by loans against overvalued property. When the market corrected itself, many companies found themselves hopelessly in debt and many banks were saddled with nonperforming loans, a situation that continues to plague Japan today.

**a. *Chogins Make Money for North Korea***

After the collapse of Japan's bubble economy, money sent from Korean businesses in Japan to North Korea also dropped. According to Sato Katsumi, "The end of bubble economy in Japan is at root of the economic crisis in North Korea."<sup>146</sup> Korean credit unions (known as *chogin* in Japanese) made up the deficit by making money—literally. *Chogin* played a key role in monetary remittances to the DPRK by illegally creating ghost accounts and making fraudulent loans to hide money funneled to Pyongyang.<sup>147</sup>

Typical practices included making a loan to a businessman for 250 million yen instead of the 200 million yen he asked for. The extra money was essentially a forced donation to *Chosen Soren*. The *chogins* also required their thousands of employees to secretly kick back 10 percent of their bonuses. The money was then transferred—untaxed and all in cash—to North Korea by ship (the *Man Gyong Bong-92*).<sup>148</sup>

Additionally, the *Yomiuri Shimbun* reported that audits of Korean credit associations were "virtually nonexistent," quoting a former auditor as saying he did not thoroughly audit them because he was always "afraid of human rights and discrimination accusations."<sup>149</sup> *Chogins* were established in the early postwar period when Koreans

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<sup>145</sup> Han Kwang-hui wrote in *The Crime and Punishment of My Chongryun* that *Chosen Soren* entered into land speculation around the height of the craze in 1987 and the organization "threw as much energy as it did the pachinko business.... In a nutshell, Ch'ongnyon at that time was one of the most prominent land-speculating groups in Japan." *Chosen Soren* did not intend to ruin the Japanese economy, nor could it have. The Japanese managed to do that all by themselves and would have ruined the economy with or without *Chosen Soren's* participation. This note simply illustrates how *Chosen Soren's* persistent efforts to raise funds for its operation and to bolster the DPRK pervaded almost all aspects of Japanese society.

<sup>146</sup> Shin Jae Hoon, "Koreans Abroad B: Shaky finances."

<sup>147</sup> Doug Struck, "Japanese Bailouts Benefited N. Korea," *The Washington Post*, 8 December 2001, p. A21.

<sup>148</sup> Han Kwang-hui, *The Crime and Punishment of My Chongryun*.

<sup>149</sup> "Media Report Failures of N. Korea Affiliated Credit Associations," 31 August 2001 FBIS Report, 22 November 2003.

pooled their money together because of the discriminatory lending practices of Japanese banks. For decades, Tokyo turned a blind eye to financial impropriety, partly out of a vague sense of guilt toward *Chosen Soren* and potential backlash from the Korean community. It also did not hurt that *Chosen Soren* had also developed close ties with the Liberal Democratic Party (LDP), the political monolith that has dominated the Japanese government since the end of World War II.<sup>150</sup>

As one might expect, the credit unions lost billions and eventually went bankrupt. There were once 38 credit unions serving the Korean community, but as they faced insolvency, smaller credit unions were absorbed into larger ones, which in turn became insolvent. By August 2001, 35 *chogins* had collapsed since the mid-1990s.<sup>151</sup>

***b. Cleaning Up the Credit Union Mess***

All told, Japanese taxpayers spent an estimated \$10 billion to clean up the defunct credit unions, and after nearly a decade of zero economic growth, the Japanese literally could no longer afford to turn ignore the *Chosen Soren* embezzlement operation.<sup>152</sup> In November 2001, police raided *Chosen Soren*'s headquarters in Tokyo and arrested the former head finance official as well as 14 former *chogin* executives for embezzlement and covering up bad loans. This action was significant for two reasons: (1) it demonstrated Tokyo's resolve to enforce its laws, regardless of the sensitive nature of Japanese-*zainichi* Korean relations, and (2) it marked the end of *Chosen Soren*'s pseudo-diplomatic immunity, as *Chosen Soren* headquarters had been treated as the DPRK's *de facto* embassy until that point.

The chairman of the Korean Credit Unions Association in Japan, Li Jong Ho, told prosecutors that *Chosen Soren* executives instructed him to cover up bad loans incurred at various *chogins* as a result of the illegal money transfers.<sup>153</sup> An investigation of Tokyo *Chogin* found 177 fictitious accounts totaling almost 500 million yen while also

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<sup>150</sup> Donald MacIntyre and Sakamaki Sachiko, "Squeeze the little Guy," TIMEAsia.com, 6 Dec 1999, <[www.time.com/time/asia/magazine/99/1206/japan.koreabanking.html](http://www.time.com/time/asia/magazine/99/1206/japan.koreabanking.html)> [29 November 2002].

<sup>151</sup> "Media Report Failures of N. Korea Affiliated Credit Associations," FBIS Report.

<sup>152</sup> Struck, "Japanese Bailouts Benefited N. Korea."

<sup>153</sup> "Japan: *Chogins* Reportedly Funneled 15 Billion Yen to Pro-Pyongyang *Chongryun*," Tokyo *Asahi Shimbun*, 08 January 2002, in FBIS, 22 November 2003.

concealing 2.4 billion yen in Non Performing Loans (NPLs).<sup>154</sup> Records also showed that six credit unions in the Kinki region (the cities of Osaka-Kobe-Kyoto) had funneled 15 billion yen into *Chosen Soren* from the time they were established in the 1950s until the last one collapsed in 1997.<sup>155</sup>

After repeated *chogin* failures and reorganizations, the Japanese government's final restructuring plan in 2002 required *chogin* to abide by three rules: (1) *Chosen Soren* members were forbidden from serving as *chogin* executives (2) *chogin* were prohibited from making loans to *Chosen Soren*, and (3) *chogin* were ordered to cut all relations with *Chosen Soren*.<sup>156</sup> Although Japan took these measures primarily for financial reasons, limiting Pyongyang's cash flow was also a proactive measure to stymie the DPRK's military expenditures.

## **5. Shipping**

If money was not flowing from Japan to North Korea through business ventures or embezzlement, it was simply carried across the sea aboard special ships that regularly traveled between the DPRK and Japan. The ships allowed *zainichi* Koreans to visit relatives and conduct business in their homeland, and it was important to Pyongyang as a conduit of hard currency, among other things.

The *Man Gyong Bong-92*, a 9762-ton passenger liner, was commissioned in 1992 to replace the *Samjiyon*. *Man Gyong Bong-92* was built in North Korea with roughly \$40 million in donations from Korean residents of Japan.<sup>157</sup> At the height of its operations, from the mid-80s to the late-90s, the North Korean ship made about 30 round trips a year between its homeport in Wonsan and Niigata, Japan. Han Kwang Hui stated that almost all of the funds remitted illegally from Japan were carried in cash on the Niigata-Wonson sea route. Han related that "the huge amount of cash was divided into

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<sup>154</sup> James Simms, "North Korean ties Complicate Japan's Efforts to Clean Up Banks," *The Wall Street Journal*. 4 Apr. 2002, <ww2gol.com/users/coynerhm/north\_korean\_ties\_complicate\_japan\_banks.htm>, 29 November 2002.

<sup>155</sup> "Chogins Reportedly Funneled 15 Billion Yen to Pro-Pyongyang *Chongryun*," in FBIS.

<sup>156</sup> Interview with Shibui Naomi, Political/Economic Section, American Consulate-General, Osaka-Kobe, 19 June 2003, Osaka, Japan.

<sup>157</sup> David P. Hamilton, "Ferry Represents Lifeline for North Korea --- Expatriates Bring the Trappings of Capitalism From Japan," *Wall Street Journal*, 6 May 1994, p. A10.

small paper bags or the like to avoid attention, each containing 20 million yen to 30 million yen. The small bags were then carried by ordinary compatriots embarking on the ship to visit their relatives and others in North Korea.”<sup>158</sup>

Although Japan’s foreign exchange law required passengers to declare when over five million yen (approximately \$50,000) in cash was carried, parcels were never inspected.<sup>159</sup> One long-time observer claimed, “Japan’s customs did not check the passenger’s baggage. They seemed to be trying to avoid troubles with passengers.”<sup>160</sup> Moreover, *Chosen Soren* bribes ensured that money couriers completed their duties without incident. Han relates that *Chosen Soren* “won the hearts of the Niigata Customs House through feasts and so forth at usual times. Therefore, from the outset, the customs house did not seem to have the intent to examine those hand-carried items.”<sup>161</sup>

Former *Chosen Soren* supporters also asserted that the ship smuggled the sophisticated electronic equipment, computer parts, software and machine tools that North Korea used to develop its missile programs. The Tokyo Metropolitan Police Department claims the *Man Gyong Bong-92* carries espionage orders to *Chosen Soren*-backed North Korean agents in Japan. Police also said the *Samjiyon* may have had a role in the 1974 assassination attempt on Park Chung Hee.<sup>162</sup> Han’s book confirms these accusations, as he describes how a high ranking official, known as the “leading captain” (because even on the ship, he outranks the ship’s captain) personally transmits Pyongyang’s orders to *Chosen Soren*’s top officials in his cabinet room while the ship is docked at Niigata.<sup>163</sup>

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<sup>158</sup> Han Kwang-hui, *The Crime and Punishment of My Chongryun*.

<sup>159</sup> Jordan and Sullivan, “Pinball Wizards Fuel North Korea.” The minimum amount that passengers were required to declare was decreased to one million yen (\$10,000) in 1998. Although this tougher legislation also was not enforced, it is one of the earliest Japanese attempts to restrict money flow to North Korea.

<sup>160</sup> “Former Korean University Professor Tells of Bogus Monetary Transfers to N. Korea,” in FBIS.

<sup>161</sup> Han Kwang-hui, *The Crime and Punishment of My Chongryun*.

<sup>162</sup> Bertil Lintner, “It’s hard to help Kim Jong Il,” *FEER*, 27 March 2003, <[www.feer.com/cgi-bin/prog/printeasy?id=37816.5371324034](http://www.feer.com/cgi-bin/prog/printeasy?id=37816.5371324034)>, 21 March 2003.

<sup>163</sup> Han Kwang-hui, *The Crime and Punishment of My Chongryun*.

#### D. JAPAN RESPONDS TO THE NORTH KOREAN THREAT

Japan's prolonged economic slump shook the public's confidence and threatened stability. High profile drug seizures of the late 1990s uncovered that the DPRK had forged business ties with Japan's syndicated criminal organizations, or *yakuza*, creating a very dangerous partnership. On 31 August 1998, North Korea test-fired a *Taepodong* missile over Japanese territory. The incident not only exposed Japan's vulnerability to such a strike, it caused an alarmed public to examine how North Korea obtained such technology. The Japanese soon realized that many business dealings with North Korea were putting their country at risk.

Once North Korea demonstrated that it was a credible military threat, Tokyo had no choice but to devise a tougher policy toward the DPRK. Japanese politicians claimed that *Chosen Soren* jeopardized Japan's security because it helped North Korea obtain dual use technology. "We pay them money and we get *Taepodong* missiles as a receipt," said Japanese lawmaker Koike Yuriko.<sup>164</sup>

Takesada Hideshi, a professor at the National Institute for Defense Studies (NIDS) estimated that between 30-50 percent of currency flowing into North Korea went to the military. Takesada claimed that for many years, *Chosen Soren* bought high-tech items in Tokyo's electronics district, Ikehabara, and exported the dual use technology to North Korea. Examples included titanium golf clubs whose shafts were melted down to make missiles, insecticides used in chemical weapons, graphite, computer chips, and Global Positioning Satellite (GPS) items. Consequently, in the spring of 2002, the Department of Industry and Economy enacted a "catch all" regulation to eliminate the transfer of dual-use technology to North Korea.<sup>165</sup>

The political environment in Japan also demanded that Japan's many economic ties with North Korea be closely reexamined, eventually putting an end to even legal monetary remittances to the DPRK. In 1975, Ashikaga Bank in Tochigi Prefecture concluded an agreement with the Foreign Trade Bank of (North) Korea to become the sole Japanese bank to mediate remittances to the DPRK. In January 2001, the

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<sup>164</sup> Struck, "Japanese Bailouts Benefited N. Korea."

<sup>165</sup> Interview with Professor Takesada Hideshi, National Institute for Defense Studies (NIDS), 9 July 2003, Tokyo, Japan.

government of Japan began pressuring the bank to end this practice. In April 2002, Ashikaga Bank canceled the correspondent agreement with the North Korean bank and stopped mediating the remittances.<sup>166</sup> Upon hearing the news, Kum Ki Do of *Chosen Soren*'s International Affairs Department in Kyoto lamented, "The window we had through the Ashikaga Bank is now closed."<sup>167</sup>

## **E. GENERATIONAL CHANGE**

Despite the clear business connections—legal and illegal— between the Korean community in Japan and North Korea, by 1997 these ties were showing signs of strain. Disillusionment with the Kim dynasty in North Korea, especially when compared to South Korea's overwhelming success; generational change; and Japan's own economic woes all served to erode *Chosen Soren*'s monetary and emotional support for the DPRK.

### **1. "Japanization" of Ethnic Koreans**

*Chosen Soren* spokesman So Chung On complained that the flagging support for *Chosen Soren* was the result of the "Japanization" of ethnic Koreans.<sup>168</sup> First and second generation migrants from Korea were being replaced by offspring who had few ties to the motherland. In 1997, 90 percent of the 680,000 *zainichi* Koreans were under 60 years old. A Japanese official who monitored the Korean community commented that Koreans were "mainly concerned with improving their lot in Japan, which they consider their home."<sup>169</sup>

Since its establishment in 1955, *Chosen Soren* had promoted Korean unification under the Kim dynasty while ignoring Japanese domestic issues, which did not concern "the overseas citizens of the People's Democratic Republic of Korea." *Chosen Soren*'s increasing irrelevance to Koreans who had lived their entire lives in Japan was reflected by 1997 estimates that donations to the organization had fallen to 10 or 20 percent of their peak in the 1980s.<sup>170</sup>

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<sup>166</sup> "Huge loans, North Korea inquiry hurt Ashikaga," *The Japan Times* online, <[www.japantimes.co.jp/cgi-bin/getarticle.pl5?nn20031130a3.htm](http://www.japantimes.co.jp/cgi-bin/getarticle.pl5?nn20031130a3.htm)>, 30 November 2003.

<sup>167</sup> Lintner, "Its hard to help Kim Jong Il."

<sup>168</sup> Efron, "Anger Toward North Korea Intensifies."

<sup>169</sup> Shim Jae Hoon, "Disillusioned Donors," *FEER*, Vol. 160, No. 49, (4 Dec 1997), p. 28.

<sup>170</sup> Efron, "Anger Toward North Korea Intensifies."

By the late 1990s, *Chosen Soren* schools all across the country were closing for lack of students. Although Korean parents valued the cultural education the schools provided, many wanted to avoid political-indoctrination courses as well as ease their children's integration into Japanese society. This was worrisome for *Chosen Soren* leaders whose power was derived from keeping its members tightly knit by segregating them from mainstream Japanese society.<sup>171</sup>

## **2. Improvement of Social Conditions for Koreans in Japan**

Japanese society, while still having room for improvement, has made marked progress in legally protecting the civil rights of Koreans and other minorities. After World War II, Koreans in Japan were stripped of their Japanese citizenship and simply classified as “permanent foreign residents” by the Japanese government. *Mindan* and *Chosen Soren* were formed to enable poor and powerless Koreans to literally survive in Japanese society. Since, becoming a naturalized Japanese citizen was (and still is) very difficult, many *zainichi* Koreans were without any official citizenship until Japan and the ROK normalization of relations in 1965. Those *zainichi* Koreans who chose to were then able to obtain South Korean citizenship and important benefits like embassy services and passports. Those registered as “North Koreans” are still technically stateless, as Japan and the DPRK still have not established formal diplomatic relations. While *Chosen Soren* has focused its energies to promote DPRK interests and undermine Seoul, *Mindan* actively campaigns for social equality for *zainichi* Koreans.

Three watershed events significantly enhanced opportunities for *zainichi* Koreans to enjoy life, liberty, and the pursuit of happiness. First, a 1974 judgment against Hitachi proscribed discriminatory hiring practices in Japan.<sup>172</sup> Beginning in 1985, Japan began granting citizenship to newborns based on whether either the mother or the father of the child was Japanese. Previously, the citizenship of the father was the only factor in determining the nationality of the child. This change meant that the increasing numbers

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<sup>171</sup> Shim Jae Hoon, “Disillusioned Donors.”

<sup>172</sup> By law, ethnic discrimination in Japan is illegal. However, *de facto* discrimination is still a sad fact of life. Most Koreans have two names, a Japanese pseudonym which is used when interacting with strangers, and their legal Korean names which they might only use around friends and family or when required to fill out legal paperwork. Thus, it is still very difficult for Koreans to obtain employment at major Japanese corporations. Another example: *Zainichi* Koreans must go apartment hunting using their Japanese names if they are actually serious about finding a place to live.

of children born to Japanese-Korean couples would be Japanese citizens. Finally, in 1993, Japan stopped requiring *zainichi* Koreans to submit to fingerprinting and carry around passbooks.<sup>173</sup> Until then, the only other people in Japan required to comply with such regulations were convicted criminals, which humiliated and infuriated *zainichi* Koreans. Additionally, social activists gradually succeeded in getting many essential social services extended to permanent foreign residents.

A strong argument can be made that the many thousands of Koreans who identified with North Korea, even though 90 percent of them originally hailed from the South, were protesting against their mistreatment in Japan as much as they were expressing their political sentiments. By 1997, Japan was a much more equitable country to live in for Koreans, and Chang Yoo Woon decided to confess to being a North Korean operative for 18 years. Chang said his major activities were spying and fundraising, and he claimed to have raised \$60 million for Pyongyang. Chang said that his deepest regret was that he set out to fight prejudice and injustice against Koreans in Japan but succeeded only in sowing more distrust: “Before the war, Koreans were discriminated against, but now we are creating reasons to be despised once again. Anti-Japanese education [in *Chosen Soren* schools], kidnapping, spying, illegal transfer of money . . . There will certainly be a backlash. It is unavoidable.”<sup>174</sup>

### **3. Disillusionment with North Korea**

Shortly after meeting with Jimmy Carter to resolve the 1994 crisis, DPRK leader Kim Il Sung died on 8 July 1994. Known to his countrymen as “The Great Leader,” Kim Il Sung had ruled North Korea since its founding on 9 September 1948. Remittances to the DPRK from Japan dropped sharply after Kim Il Sung’s death, reflecting *Chosen Soren*’s displeasure with his son and heir, “The Dear Leader,” Kim Jong Il.<sup>175</sup> By 1996, American and Japanese economic and intelligence analysis estimated that monetary remittances had fallen by more than 80 percent to less than \$100 million a year.<sup>176</sup>

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<sup>173</sup> “Friends, Koreans, countrymen,” *The Economist*, Vol. 341, Issue 7991, (9 Nov. 1996), pp. 41.

<sup>174</sup> Efron, “Anger Toward North Korea Intensifies.”

<sup>175</sup> “Friends, Koreans, countrymen.”

<sup>176</sup> Jordan and Sullivan, “Pinball Wizards Fuel North Korea.”



*Chosen Soren* membership, which had already decreased from 224,000 to 110,000 since 1990, took an even bigger hit when top Pyongyang ideologue Hwang Jang Yop defected to South Korea in February 1997, resulting in a surge of defections. In Osaka, the heart of the Korean community in Japan, 183 *zainichi* Koreans switched loyalty from the North to the South, well above the monthly average of 95 per month. In nearby Kobe, another stronghold of pro-Pyongyang Koreans, the average number of people leaving *Chosen Soren* per month rose from 55 in January to 102 in June. One Japanese commentator stated, "the Kim Il Sung and Kim Jung Il dictatorship has become a laughing stock" among the Korean community. Not surprisingly, defections to North Korea, in contrast, had petered out long ago. More than 93,000 Koreans from Japan resettled in the North since the Calcutta Agreement's initial repatriation in 1959, but few had done so since 1984.<sup>177</sup>

*Chosen Soren* businessmen, described by Kansai University economics professor Lee Young Hwa as "Kim Jung Il's wallet," were also bailing out on "The Dear Leader."<sup>178</sup> *Chosen Soren* businessmen had 13 billion yen of investments in the North, but most were unprofitable due to red tape and corruption by party leaders. Furthermore, *Chosen Soren* businessmen were increasingly disillusioned by ceaseless demands for "donations" to Kim Jung Il's pet projects. One of the most prominent defectors was Chon Su Yol, whose father was decorated by Kim Il Sung for his generous donations to North Korea. Chon, owner of the Sakura Group restaurant chain, shocked North Korean officials when he appeared in Seoul in 1997 to make business deals.<sup>179</sup>

Song Sun Jong, a wealthy businessman who made his fortune running cafes and *pachinko* parlors, also abandoned *Chosen Soren* in 1997 after a depressing visit to the North. After seeing his relatives living in misery with their every move watched by the authorities, Song returned to Japan and launched an anti-Pyongyang organization calling for a change of government. "I supported the North for 50 years because Kim Il Sung once said people without a homeland is worse than a stray dog," Song said. "But man is

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<sup>177</sup> Shim Jae Hoon, "Disillusioned Donors."

<sup>178</sup> Efron, "Anger Toward North Korea Intensifies."

<sup>179</sup> Shim Jae Hoon, "Disillusioned Donors."

different from an animal: he needs freedom and equality and human rights, and these simply don't exist in the North."<sup>180</sup>

In April 1999, Kim Jung Il ordered *Chosen Soren* to carry out "reform and transformation" to forestall the collapse of the organization in the face of the adversity it was facing, especially as its membership rolls were rapidly shrinking. The most notable aspect of this change was a move from the first generation's ideology-driven "stance of toeing the Pyongyang line" to an organization focused on mutual assistance and practical interests. This was preferred by the second and third generations "that wished to plant their roots in Japanese soil for good." The strategy behind this transformation was to improve *Chosen Soren*'s ability to act as a mediator between Japan and the DPRK when normalization talks resumed.<sup>181</sup>

## **F. KIDNAPPING**

Clearly, *Chosen Soren*'s pertinence and popularity among *zainichi* Koreans was decreasing rapidly. This critical problem was compounded by Japanese apprehension of North Korea's aggressive military development. In the end, the menace posed by the activities of *Chosen Soren* and its patron government toward the general Japanese population resulted in its downfall.

### **1. Allegations**

In May 1997, the Japanese government exploded a bombshell that severely wounded *Chosen Soren* politically when it announced that North Korea was the leading suspect in the disappearances of at least nine Japanese citizens over the past two decades. Prime Minister Hashimoto Ryutaro told reporters that he was "pretty certain" North Korea was involved in the abductions of at least nine Japanese and that "there are very strong suspicions" but no conclusive proof that North Korea was also involved in the disappearances of more than ten others.<sup>182</sup>

Hashimoto threatened to cut off food aid to North Korea until Japan got answers about the alleged abductions. Sato Katsumi of Modern Korea Research Institute,

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<sup>180</sup> Shim Jae Hoon, "Disillusioned Donors."

<sup>181</sup> Hwang Song-ki, "Background of Kim Chong-il's Order for the 'Reform of Ch'ongnyon,'" Seoul *Taehan Maei*, 4 August 1999, in FBIS, 22 November 2003.

<sup>182</sup> Efron, "Anger Toward North Korea Intensifies."

remarked, "The government is now admitting they knew that six or nine Japanese were abducted by North Korea, so now people are demanding to know why on earth they didn't do anything about it before. Hashimoto can't possibly back off on the food aid issue," Sato added. "He'd lose the next election. This is the first time I've seen the Japanese people so angry."<sup>183</sup>

Five years later, Kim Jung Il himself struck the fatal blow to *Chosen Soren* during his summit with Japanese Prime Minister Koizumi Junichiro. Koizumi's attempt to normalize relations with North Korea on 17 September 2002 was undone when Kim surprisingly admitted to and apologized for the kidnappings of 13 Japanese nationals in the 1970s. The abductees had been used to train North Korean spies in Japanese language and culture.<sup>184</sup>

If the suspected kidnappings made the Japanese angry, the confirmation of those allegations resulted in nothing short of rage. In the two months after the Kim-Koizumi summit there were 300 incidents nationwide of verbal and physical abuse toward *Chosen Soren* members, most of whom were students easily identified because they wore traditional Korean school uniforms. Credit unions and schools have also been targets of hate mail, harassing telephone calls, and even bomb and bullet attacks, and riot police have been stationed outside *Chosen Soren* headquarters in downtown Tokyo to keep out outraged Japanese.<sup>185</sup>

## **2. Fallout**

Anger on the streets translated to very responsive politicians and the quick enactment of tough measures against *Chosen Soren*, and more directly, North Korea. In December 2002, Deputy Chief Cabinet Secretary Abe Shinzo asserted that Japan could stop remittances of money to North Korea based on UN Security Council Resolution 1373, meant to combat terrorism by cutting of the sources of terrorists' funds. This implied that the government would enact Article 16 of the Foreign Exchange and Foreign

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<sup>183</sup> Efron, "Anger Toward North Korea Intensifies."

<sup>184</sup> Lintner, "It's hard to help Kim Jong Il."

<sup>185</sup> Eric Johnston, "North Koreans Get Little Sympathy in Japan: Pyongyang's abductions spell fallout for Chongryun," *The Japan Times* online, <[www.japantimes.co.jp/cgi-bin/getarticle.p15?nn200221120c1.htm](http://www.japantimes.co.jp/cgi-bin/getarticle.p15?nn200221120c1.htm)>, 20 November 2002.

Trade Control Law, which allows Japan to curb monetary remittances abroad to honor international agreements.<sup>186</sup> Subsequently, the Hana Credit Union, created in 2002 by combining five failed *chogins*, was put under special surveillance by Japan's Financial Services Agency on 9 January 2003, making shady money transfers practically impossible.<sup>187</sup> The Japanese government also stepped up its pressure on the DPRK by expanding investigations into businesses that export to the North. Results were evident by June 2003 when, according to government official Sawaike Shinobu, "the volume of business [between Japan and the DPRK] may have dropped by 20 to 30 percent already this year."<sup>188</sup>

In April 2003, the Japanese government began strict surveillance of cargo transported to North Korea from Japan, specifically tightening up inspections of the *Man Gyong Bong-92*.<sup>189</sup> "It is said that important resources such as weapons components are exported from Japan. Until now, inspections inside the ship were not strictly conducted," Land, Infrastructure and Transport Minister Chikage Ogi admitted at the news conference announcing the changes.<sup>190</sup> In fact, rancor toward North Korea in Japan was so bad after the summit that the *Man Gyong Bong-92* suspended services for seven months between January and August 2003.<sup>191</sup>

Fallout from the summit also cost *Chosen Soren* its special exemption from taxation, given its traditional role as Pyongyang's *de facto* governmental agency in Tokyo. During the summer of 2003, local governments all over Japan began reconsidering their policies of making *Chosen Soren* facilities either partially or entirely exempt from fixed-asset taxation, citing negative public sentiment toward North Korea as well as suspicions that *Chosen Soren* may have been involved in the illegal export of

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<sup>186</sup> "UN resolution can halt flow of funds to Pyongyang," *The Japan Times* online, <[www.japantimes.co.jp/cgi-bin/getarticle.pl15?nn20030207cl.htm](http://www.japantimes.co.jp/cgi-bin/getarticle.pl15?nn20030207cl.htm)>, 4 December 2002.

<sup>187</sup> "FSA to Put Hana Credit Union Under 'Special' Surveillance," *The Daily Yomiuri*, 9 January 2003, in FBIS, 22 January 2003.

<sup>188</sup> "Declining Trade Likely Behind Vessel's Visit," *Ashahi Shimbun*, 26 August 2003, in FBIS, 22 November 2003.

<sup>189</sup> Ibid.

<sup>190</sup> "North Korean ferry to undergo stricter security," *The Japan Times* online, <[www.japantimes.com/cgi-bin/getarticle.pl5?nn20030524a8.htm](http://www.japantimes.com/cgi-bin/getarticle.pl5?nn20030524a8.htm)>, 24 May 2003.

<sup>191</sup> "N. Korean ferry wraps up 2-day port call in Niigata," Kyodo News Service, <<http://home.kyodo.co.jp/all/display3para.jsp?an=20031119165&cate>>, 19 November 2003.

missile components to the DPRK.<sup>192</sup> Tokyo's right wing demagogue governor (mayor) Ishihara Shintaro went as far as seizing three *Chosen Soren* facilities on the grounds of nonpayment of taxes.<sup>193</sup>

The actions of Japanese politicians certainly reflected the anger of their constituents. Sometimes what is not done sends an equally powerful message. The annual DPRK Founding Day banquet (September 9) used to attract power brokers from the LDP, but this year, not even representatives from the Japan Communist Party dared be seen at a North Korean event. Anger over the DPRK's nuclear weapon and missile programs and its kidnapping of Japanese has firmly set Japanese public opinion against North Korea and *Chosen Soren*.<sup>194</sup>

### **3. Implications for *Chosen Soren***

The angry Japanese response to the kidnapping admission was met by equally sincere feelings of shock and dismay by pro-Pyongyang Koreans. The Kim-Koizumi Summit shook *Chosen Soren* to its core. Kim Myong Su, Vice Bureau Chief of *Chosen Soren*'s International Bureau, admitted that "(Kim's apology) came out of the blue."<sup>195</sup> A former member lamented, "I assume Kim Jong Il betrayed us because he might have concluded that our community in Japan lost its ability to remit money to him. I believe that Mr. Kim is cutting us out."<sup>196</sup> One observer commented, "Many are leaving the organization now. Most are in a state of shock. For years, they believed the North's denials, and claimed that anything else was slander and propaganda. And then Kim Jong Il himself admitted that it was true."<sup>197</sup>

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<sup>192</sup> "Facilities Under Scrutiny: Chongryun May Lose Tax-Exempt Status, *The Japan Times* online, <[www.japantimes.com/cgi-bin/getarticle.pl5?nn20030630a2.htm](http://www.japantimes.com/cgi-bin/getarticle.pl5?nn20030630a2.htm)>, 30 June 2003.

<sup>193</sup> James Brooke, "North Korea Birthday Party in Japan Illustrates Strains," *New York Times*, 9 September 2003, <[www.nytimes.com/2003/09/09/international/asia/09KORE.html?ex=1064156988&ei=1&en=992b7daef890b01d](http://www.nytimes.com/2003/09/09/international/asia/09KORE.html?ex=1064156988&ei=1&en=992b7daef890b01d)>, 9 September 2003.

<sup>194</sup> Brooke, "North Korea Birthday Party in Japan Illustrates Strains."

<sup>195</sup> "Reaction from Ch'ongnyon to DPRK's Admission to Abduction of Japanese 'Varied,'" Tokyo *Jiji Web*, 7 October 2002, in FBIS, 22 January 2003.

<sup>196</sup> "DPRK Passenger Liner Said to Have Special Mission to Smuggle Cash From Japan," Tokyo *Shukan Posuto*, 8 December 2002, in FBIS, 22 January 2003.

<sup>197</sup> Lintner, "Its hard to help Kim Jong Il"

As one might suspect, many in Japan were quick to implicate *Chosen Soren* in the kidnappings, if only guilt by association. Over the past few years, books by former *Chosen Soren* members and North Korean spies have alleged that *Chosen Soren* was either informed about the abductions by North Korean officials or indirectly assisted agents who carried out the operations in Japan by acting as guides or providing other logistical support.<sup>198</sup> However, according to the PSIA, no verifiable evidence has been presented to support any allegations that *Chosen Soren* members took part in or arranged abductions.<sup>199</sup>

But many Japanese using deductive reasoning cannot exonerate the organization. Professor Takesada believes the kidnappings of Japanese citizens were made possible by the cooperation of North Korean agents and a radical group within *Chosen Soren* known as the *Gakushu-gumi* (“Study Group”). One of the highest-profile abductions was the case of Yokota Megumi, a 13-year old girl who was kidnapped from Niigata. Takesada notes that Yokota was kidnapped by people driving a car. Since a midget submarine is not large enough to transport a vehicle, the car must have been provided by *Chosen Soren*. Thus, Takesada, and many of his contemporaries, have concluded that it was “very clear” that *Chosen Soren* was “deeply involved” in the kidnappings.<sup>200</sup>

A long downward trend was evident in the ideology, monetary remissions, and membership of *Chosen Soren* during the 1990s. Since Kim Jung Il admitted that North Korea had kidnapped Japanese citizens as the Japanese had long suspected, the purpose, power, and political protection of *Chosen Soren* have all declined.<sup>201</sup> As the following chapter illustrates, The Kim-Koizumi Summit was a “watershed” event in Japan-DPRK relations. Tokyo could not ignore the furious outcry of the Japanese public and was forced to drastically alter its policy toward Pyongyang.<sup>202</sup>

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<sup>198</sup> Johnston, “North Koreans Get Little Sympathy in Japan.”

<sup>199</sup> Interview with Sakai Takashi, Deputy Director of the Second Investigation Department of the Third Division of the Public Security Investigation Agency (PSIA) and Morinaga Takao, also of the PSIA, 7 July 2003, Tokyo.

<sup>200</sup> Interview with Prof. Takesada Hideshi, NIDS, 9 July 2003, Tokyo.

<sup>201</sup> Ibid.

<sup>202</sup> Interview with Iwata Shuichiro, Professor of International Relations, National Defense Academy (NDA), 8 July 2003, Yokosuka, Japan.

## V. CONCLUSION

### A. OVERVIEW

This section will briefly review the previous chapters, describe *Chosen Soren* today, and answer the two main questions introduced in “Chapter I: Introduction.” It concludes with the author’s comments on *Chosen Soren* and Japan’s North Korea policy.

The purpose of this thesis was to demonstrate *Chosen Soren*’s significant impact on Japan’s relations with its Korean neighbors over the past 50 years in order to illustrate the complexities underlying Japan’s current foreign policy toward the DPRK.

### B. SYNOPSIS

The Japan-Korea rivalry emerged centuries ago as both cultures developed under the shadow of the great Chinese civilization. Feelings of antipathy from Japan’s colonization of Korea in the first half of the 20th Century continue to adversely affect relations today. The mass movement of Koreans to Japan during the colonial period resulted in the formation of Japan’s Korean minority, which has become a permanent, living reminder to both nations of their troubled past.

Naturally, as the roots of successive generations of Koreans have grown deeper in Japan, they identified more with being Japanese, and their ties to Korea have grown weaker. The first generation of Koreans in Japan were polarized by the ideological division of their Korean homeland after World War II. Since *Mindan* supported what many observers consider Japan’s virtual ally, the Republic of Korea, its members gradually assimilated into Japanese society. On the other hand, *Chosen Soren* staunchly supported communist North Korea, an enemy of both the ROK and Japan, and figured prominently in the triangular relationship between Japan and the rival governments on the Korean peninsula during the Cold War. *Chosen Soren* activities and Japan’s reluctance to control the organization were a serious strain on Japan-ROK relations, already plagued by baggage from the colonial period. Seoul was also irritated by Japan’s attempted use of *Chosen Soren* to expand economic ties and improve relations with the DPRK. However, as the Cold War progressed, *Chosen Soren* solidarity began wavering as South Korea’s economic and political development far outclassed that of North Korea.

*Chosen Soren*'s substantial demise over the past ten years is directly attributed to both *zainichi* Korean and Japanese disillusionment with the DPRK. Pyongyang's increased military threat to Japan and Japan's decade-long recession prompted many to closely scrutinize and eventually restrict *Chosen Soren*'s economic contributions to North Korea. South Korea's emergence as an international economic power and democracy, Pyongyang's frequent provocations, and generational change continued to weaken *Chosen Soren*'s membership base. Finally, the Japanese public's outrage following North Korea's admission that it had kidnapped Japanese citizens has essentially made it impossible for *Chosen Soren* or anyone else to continue to actively support or show leniency toward North Korea.

### C. **CHOSEN SOREN TODAY**

The glory days of *Chosen Soren* are clearly in the past. Today, only between 56,000 to 90,000 people out of over 625,000 registered Korean nationals in Japan actively support the DPRK.<sup>203</sup> The decline of *Chosen Soren* can be clearly traced to the end of the Cold War. While most other communist regimes have adjusted to the new world order, the DPRK has grown increasingly obdurate. Thus, the hardening of Japanese policy toward North Korea has been met with little domestic controversy.<sup>204</sup>

Demographic changes no doubt have contributed to the weakening of *Chosen Soren*. Originally, *Chosen Soren* was an anti-Japanese organization founded to help Koreans get by in Japan until returning to the homeland. Today's *zainichi* Koreans are third or fourth generation, many of whom cannot speak Korean and have no desire to live there, and 83 percent of Korean marriages involve intermarriage with a Japanese.<sup>205</sup>

The disinterest in promoting Korean culture is exemplified by the fact that there are now only 12,000 students in ethnic Korean schools, only a third of the enrollment in the 1980s.<sup>206</sup> In September 2002, *Chosen Soren*'s leadership decided to remove portraits of Kim Jung Il and Kim Il Sung from the 110 elementary and junior high schools which it

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<sup>203</sup> Goto Shihoko, "Japan cracks down on North Korea fund flow," United Press International, 10 January 2003, in Lexus-Nexis, 10 January 2003.

<sup>204</sup> Armacost and Pyle, p. 9.

<sup>205</sup> Suzuki and Oiwa, p. 175.

<sup>206</sup> Jordan and Sullivan, "Pinball Wizards Fuel North Korea."



runs, a move which seemed to be aimed at depoliticizing the organization.<sup>207</sup> “We are having a tougher and tougher time getting students,” U Ze Song, the principal of a pro-North Korean school, admitted. “We are emphasizing politics less and emphasizing Korean ethnicity and language more.”<sup>208</sup>

*Chosen Soren*’s ideological foundation has also crumbled away. Initially, siding with North Korea was a political statement against both the South Korean puppet state and Japanese discrimination. Today, 78 percent of the un-naturalized Korean population holds South Korean nationality.<sup>209</sup> If people did not question why it was necessary to provide financial support to the “worker’s paradise,” doubts about the legitimacy of the regime probably began to creep in when they were compelled to send money.

As decided by the DPRK and organization leaders in 1999, *Chosen Soren* has moved closer to *Mindan* in order to create an “all-Korean” movement in Japan. Sports and cultural exchanges between the two organizations are becoming commonplace. In December 2002, *Mindan* and *Chosen Soren* held joint rallies in Tokyo to protest the presence of U.S. troops in South Korea. Times have changed from the days when *Mindan* and *Chosen Soren* competed to discredit each other in order to solicit sympathy and support from the Japanese public.<sup>210</sup> However, because of the North Korean kidnappings, sympathy is the last thing *Chosen Soren* can expect from anyone, Korean or Japanese.

#### **D. WHY DID *CHOSEN SOREN* SURVIVE FOR SO LONG?**

##### **1. Forced Remittances of *zainichi* Koreans**

It is clear now that *Chosen Soren*’s popularity among Koreans is at an all-time low and still decreasing. How was the organization able to remain so vibrant for nearly 50 years, especially since the ROK and Japan have been so much more successful than the DPRK over the last 20 years? Perhaps the most significant reason was that funds were essentially extorted from *Chosen Soren* members.

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<sup>207</sup> Lintner, “It’s hard to help Kim Jong Il.”

<sup>208</sup> Brooke, “North Korea Birthday Party in Japan Illustrates Strains.”

<sup>209</sup> Hicks, p. 37.

<sup>210</sup> Paul Huen Chan, p. 381.

Japanese statistics show that 93,340 people moved to the DPRK between 1959 and 1984. That number includes 6800 Japanese nationals, of whom 1800 were women married to Koreans.<sup>211</sup> The Japanese media has detailed numerous complaints from *zainichi* Koreans who were pressured to cooperate with North Korean spies and skim off money from loans and other transactions to transfer funds through *Chosen Soren* officials to North Korea. Some said they feared endangering family members still in North Korea if they did not cooperate.<sup>212</sup>

*Chosen Soren* received support by emphasizing family loyalty. *Chosen Soren* expert Eric Johnston was also familiar with the DPRK practice of blackmailing *zainichi* Koreans to support relatives in North Korea. However, Johnston suggested that more often, the North Korean community in Japan ostracizing offending parties from the North Korean community in Japan.<sup>213</sup> Early on, Koreans depended on each other for survival because they were discriminated against in Japanese society. This gave *Chosen Soren* leverage over its members.

## **2. Evolving Social Conditions**

Tokyo's calculation that Koreans would eventually be assimilated into Japanese society seems to have paid off. *Chosen Soren*'s first generation members carried its pre-war, pro-North Korean sentiments through the Cold War. The second generation lobbied for war compensation, in part to aid relatives in North Korea. Although this generation was pro-North Korea, it eventually became anti-Kim. Lastly, the third and fourth generations do not really care about North Korea because they consider themselves adapted as Japanese.<sup>214</sup>

Before the realization of North Korea as a credible threat and public pressure forced it into action, the Japanese government may have tried to "ride out" the *Chosen Soren* problem, knowing that time was on its side. More than 80 percent of Koreans marry Japanese; their children are thus automatically Japanese. The older Korean-speaking first and second generations have all but passed on. Because many young

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<sup>211</sup> "Former Pyongyang agent speaks to DPJ," *The Japan Times* online, 21 November 2002.

<sup>212</sup> Struck, "Japanese Bailouts Benefited N. Korea."

<sup>213</sup> Interview with Eric Johnston, *The Japan Times*, Osaka Bureau Chief, 24 June 2003, Osaka.

<sup>214</sup> Ibid.

ethnic Koreans tend to speak only Japanese and have few links with their ancestral country, many see little point in retaining Korean nationality. Sato Katsumi predicted that by 2030 "there won't be any such category as ethnic Koreans in Japan."<sup>215</sup>

### **3. Political Ties**

Suspensions about *Chosen Soren*'s ties with the LDP are similar to Japan's suspicions of the DPRK kidnappings before the September 2002 summit. Although the evidence is out there and rumors swirl, everyone is hesitant about opening this Pandora's box and discovering the definitive truth. No one questions that *Chosen Soren* was a conduit between North Korea and Japan and that, until recently, it was an "untouchable" organization and the beneficiary of quasi-diplomatic political protection from senior Japanese politicians.<sup>216</sup> There are plausible arguments that the LDP protected *Chosen Soren* to help normalize relations with the DRPK and ensure the stability of the *zainichi* Korean population. But some would argue that the main reason *Chosen Soren* was because "money from *Chosen Soren* flowed into the coffers of prominent and influential LDP politicians."<sup>217</sup>

*Chosen Soren* may have also benefited from policy disagreements within the Japanese government. Iwata describes the "open secret" that *Chosen Soren* was helping North Korea. Japan's response was soft because normalization with the DPRK was a major Japanese foreign policy goal. Tokyo "didn't want to paint *Chosen Soren* into a corner" with a policy that would eliminate the possibility of improving relations.<sup>218</sup> This ceased to be a factor after Kim Jung Il's kidnapping admission.

### **E. IS CHOSEN SOREN A THREAT TO JAPAN?**

During the summer of 2003, I interviewed several experts in Japan, including U.S. State Department officials at the Tokyo Embassy and Osaka Consulate; U.S. Air Force Office of Special Investigations (AFOSI) and USFJ security personnel at Yokota Air Base; professors at the National Defense Academy (NDA) and National Institute for Defense Studies (NIDS); the Osaka bureau chief of the *Japan Times* who has been

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<sup>215</sup> "Friends, Koreans, countrymen," p. 41.

<sup>216</sup> Interview with Brian Barna, U.S. Embassy, Tokyo, Japan, Political Section, 3 July 2003, Tokyo.

<sup>217</sup> Interview with Iwata Shuichiro, NDA, 8 July 2003, Yokosuka, Japan.

<sup>218</sup> Ibid.

covering *Chosen Soren* for over four years; and officials at the Public Security Intelligence Agency (PSIA), Japan's version of the FBI. In short, everyone I spoke with emphatically stated that they did not expect any kind of "fifth column" resistance from *Chosen Soren* in the event of a conflict pitting the United States and Japan against the DPRK.

The money and transfer of dual use technology was a definite security concern, but Japan began countering these factors even before it adopted a "hard line" against the DPRK in the aftermath of the kidnapping admission. Economic exchanges between *Chosen Soren* and North Korea are also declining due to the Japanese crackdown and generational change. Japan has successfully tightened the screws on the organization as evidenced by its actions against *chogins*, the *Man Byong Gong-92*, and taxing *Chosen Soren* real estate.

The Japanese government thinks *Chosen Soren* as an entity will not engage in terrorist activity but the possibility remains that individuals could act. In addition, the *Gakushu-gumi*, with an estimated membership of 5000, is often described as a small, radical group within *Chosen Soren* that could commit terrorist acts against USFJ or Japanese facilities. When analysts mention DPRK insurgents in Japan, they are most often referring to the *Gakushu-gumi*.<sup>219</sup> *Gakushu-gumi* has been described as either a very secretive group of ideologues or a sleeper terrorist cell that received orders directed from Pyongyang. Other argued that it was mainly a propaganda group that focused on winning ROK defectors. However, given *Chosen Soren*'s current near bankruptcy and dearth of ideological fervor, *Gakushu-gumi* now appears to be nothing more than an "urban legend" leftover from the Cold War.

American security experts in Japan have no concrete evidence linking North Korean agents to *Chosen Soren*. *Chosen Soren* as an entity is not expected to engage in hostilities. In fact, the Japanese utilize the organization to gather intelligence on other subversive groups in Japan. However, USFJ and the Japanese have to assume that sleeper agents, whether sponsored by *Chosen Soren* or not, would try to upset military

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<sup>219</sup> Ushio Masato, "North Korea is next! When the Time Comes, Will the SDF Be Ready?," Kyoto Voice, 1 April 2003, in FBIS, 22 November 2003.

operations by delaying the deployment of forces to combat areas should a conflict on the peninsula occur.<sup>220</sup>

#### **F. JAPAN'S FOREIGN POLICY TOWARD THE DPRK**

It is clear that Japan's politicians attempted subtle adjustments to the increasing DPRK threat over the last decade. Because of the first nuclear crisis, Japan and the United States took three years to rework their alliance. After the 1998 missile launch, Japan began cooperating with the United States on missile defense and also began launching its own satellites. The initial stages of *chogin* reform were a part of a larger effort to address national banking reform in the midst of the recession more than an attempt to cut off monetary support to North Korea.

In stark contrast, Tokyo's response to the kidnappings was swift and necessary to pacify the incredibly enraged domestic constituency. After years of allowing *Chosen Soren* to operate nearly unabated, Japanese leaders could no longer turn the other way. In less than a year, Japan halted monetary remissions from banks, upgraded its customs checks, and eliminated tax breaks for *Chosen Soren*.

Since the abduction suspicions became a fact, Diet and right wing hawks have seized upon Japanese outrage to stop the flow of Japanese goods, technology, and money to North Korea. Now, *Chosen Soren*'s semi-diplomatic immunity and its founding generations are dying out, it is no longer protected politically, and its relations with both North Korea and the Japanese Communist Party are on bad terms.<sup>221</sup> *Chosen Soren*'s purpose was to raise money for the DPRK, but now that it can no longer accomplish that task, it has no relevant function. Kim Jung Il urged the organization to transform into a social services group in 1999, but it cannot support anyone if it has no members. Indeed, the days of Japan's "lackadaisical" North Korea policy are over.

Before the fateful Kim-Koizumi summit there was a break in the U.S.-Japan alliance on how to approach North Korea. Japan preferred dialogue, while the Bush

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<sup>220</sup> Interview with Special Agent Robert Wood, Director of Operations, 62nd Field Investigation Squadron, Air Force Office Of Special Investigations, Yokota Air Base, Japan, 1 July 2003, Yokota Air Base.

<sup>221</sup> Interview with Eric Johnston, Osaka Bureau Chief, *Japan Times*, 24 June 2003.

Administration favored pressure.<sup>222</sup> Now, the roles are reversed. Koizumi showed great initiative by traveling to Pyongyang, but Japanese anger toward the DPRK has trapped Japan into a hard-line policy that must resolve the kidnapping issue before anything else. Conversely, the United States is now more willing to negotiate.

It is also ironic to consider the evolution of ROK policy toward Pyongyang. Seoul would never admit it, but it has adopted Japan's "separation of politics from economics" policy in an attempt to build confidence with Kim Jung Il and ensure stability on the peninsula. Some analysts think that the ROK has even replaced Japan as Pyongyang's largest source of uncontrolled cash.<sup>223</sup>

Ultimately the kidnapping issue dominates Japan's thinking about the DPRK and reinforces the conclusion regarding the weakened ability of North Korea to utilize Chosen Soren to influence Japan's policies. Unless it is resolved, Japan and the DPRK will not be able to normalize relations and begin the process of healing the many wounds of the long, troubled history between Japanese and Koreans.

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<sup>222</sup> Personal interview with Shuichiro Iwata, NDA, 8 July 2003, Yokosuka.

<sup>223</sup> Interview with Brian Barna, U.S. Embassy, Tokyo, 3 July 2003. Tokyo.

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